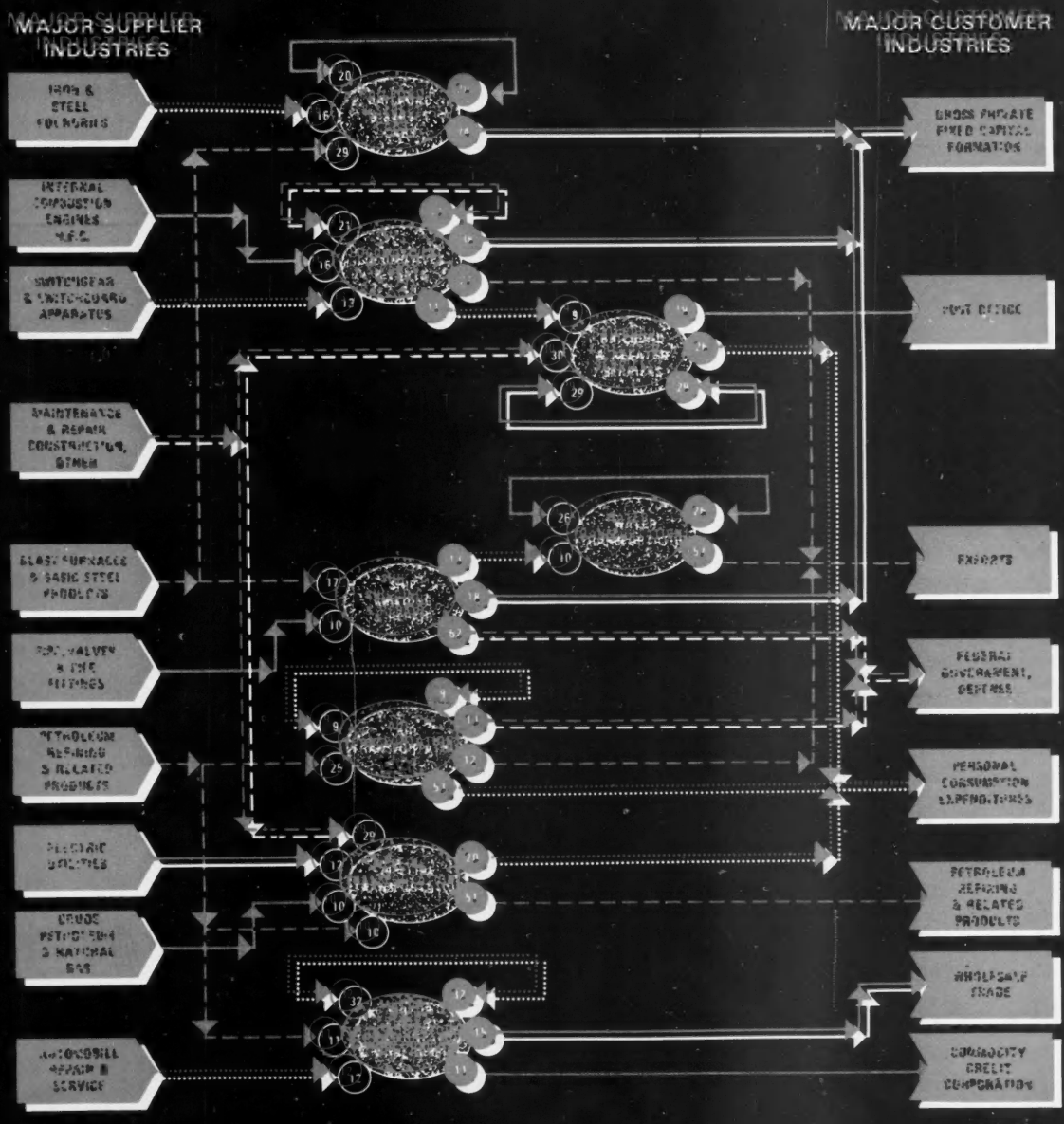
NOVEMBER 11, 1974

Commerce Today



Industry's Outlook For 1975

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Problems And A Program

This column was written by Under Secretary of Commerce John K. Tabor.

The 6 percent unemployment figure announced last week coupled with the 2.9 percent decrease in gross national product and 12.1 percent annualized inflation rate announced the preceding week indicates that the United States is in a serious economic slowdown, but a slowdown unlike any we have ever experienced before. It is complicated by the twin foe of inflation, brought about by politically-fixed oil prices, accelerated worldwide demand for food products, and, indeed, expanding worldwide demands for a broad range of industrial and consumer products.

The presence of two foes instead of one rules out the simple answers of the past. To tackle the slowdown by expanding the money supply and further unbalancing the budget, via quick government spending schemes, would renew and expand the inflationary pressures which appear to be easing for the first time in two and a half years.

But there is a program which makes sense and it will work.

To continue the battle against inflation, we must continue to practice fiscal restraint by cutting the budget in 1975 and balancing it in 1976. We must continue a policy of monetary restraint, keeping the increase in the money supply somewhere about 4-6 percent, down from the levels of two years ago, but up slightly from the severe tightness in the middle of 1974.

We must act, not talk, to eliminate the other U.S. Government arrangements which are inflationary. In particular, we need a determined overhaul of various regulatory and statutory measures which protect certain industries and prices from competition and which favor certain private special interest groups.

Finally, business, industry and individuals must curb energy demand and reduce the nation's oil imports because the quadrupled price of oil imports knocks our balance of payments out of kilter. This weakens the dollar and increases the cost of all imports—another inflationary pressure.

To combat the slowdown, we must cushion the hardship of those who are unemployed by providing extended unemployment compensation and public service employment, as requested by President Ford. American firms should even out the peaks and valleys in their sales orders by expanding exports. $38 billion has flowed into the monetary reserves of the oil producers' cartel so far this year. Why not sell to those who have the money? And there is the vast new market of the USSR, Peoples' Republic of China and the other socialist countries representing 1.1 billion people, more than one third of the world's population. Why not sell to them? Such sales can sustain jobs, orders, and cash flow in the United States and be a successful counterattack to the domestic slowdown.

President Ford has also called for a surtax of 5 percent on all corporate incomes, and personal joint incomes of over $15,000 to assure that the cushions provided for the unemployed do not subvert the policy of fiscal restraint needed to damp down inflation.

The above measures are sound and will enable the United States to come through this novel period of difficulty with inflation under control. The unemployed will be protected from the worst hardships and new orders coming in will turn around the slowdown as quickly as possible.

Energy conservation requires action by each of us, both as individuals and managers. The surtax requires action by our congressmen and senators, who respond when we tell them to do so. Stimulated exports will result from action by U.S. business and industry managers.

The program is President Ford's, and is sound. But to make it work requires action by each of us, as indicated above.

John K. Tabor

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COVER: *Flow charts are being used for the first time in this year's edition of the U.S. Industrial Outlook, Commerce's annual assessment of industry-by-industry prospects for the coming year. The 1975 performance is expected to see varied growth rates for a wide range of industries, gradually building into an across-the-board surge by the economy by the end of the decade. Story, page 5.*

Special Problems In Automobile Industry Affect Major Sectors Of U.S. Economy

Economic Highlights is prepared by James L. Pate, Assistant Secretary of Commerce for Economic affairs.

The American automobile industry has suffered several setbacks over the past 12 months, and its special problems have had a profound effect on the U.S. economy. The industry has undergone major changes within a short period of time in an effort to meet changing conditions; nevertheless, its recovery from the sharp drop in auto sales in late 1973 has thus far been sporadic.

Very few industries have as much impact on our nation's economy as the automobile industry. On a value-added basis, the automobile industry accounted for 5.3 percent of Gross National Product in 1973, a large proportion for a single industry, and the indirect effects of conditions in the industry are omnipresent. In addition to employing hundreds of thousands of workers directly, the industry accounts for one-fifth of our country's steel consumption, one-tenth of the aluminum, two-thirds of the rubber, and one-third of the zinc. Furthermore, because sales of its principal product lines are closely linked to consumer sentiment, the vicissitudes of the industry have frequently dominated major movements in the nation's economy.

Confluence of troubles

Automobile purchases have always been subject to much larger up-and-down movements than continuously purchased items such as food and clothing. In the current situation, however, the industry faces a confluence of troubles that, taken together, probably represent the greatest challenge in the history of the industry. The problems include: inflation, the high price of gasoline, the looming threat of further cutoffs of petroleum from foreign sources, the growing emphasis on mass transit, unusually low consumer confidence in the economic future, difficulties in complying with Government regulations on safety, and last but not least, the costs of limiting pollution.

The most dramatic blow to the industry, and the economy, was the oil embargo in late 1973. Earlier that year, sales had been tapering off from an extremely high level, and when consumers became concerned about the availability of gasoline, sales plummeted. There were substantial layoffs of automobile workers as the industry instituted a crash program to convert production facilities to make a larger proportion of smaller, more economical cars. Some of these workers still have not been recalled to work by the industry even though production rebounded partially in early 1974.

Many reasons have been suggested for the volatile sales performance of the past 18 months. In early spring 1973, sales reached a record level, partly because some sales had been "borrowed" from the future. In other words, consumers bought in March or earlier in anticipation of the higher prices and additional pollution equipment costs that were scheduled to be added to the 1974 models. The increasing inflation later eroded sales as consumers became more uneasy about general economic conditions and tended more and more to cut back on large purchases. This gradual decline, however, was mild compared to the precipitous drop late in the year when the oil embargo occurred.

As the chart on the opposite page indicates, sales began rising again in the spring of this year and hopes were rekindled with a surge of buying in July and August. Once again, however, sales apparently were "borrowed" from the future. The rush to buy was directed at the 1974 cars, rather than the 1975 models. Price was probably the most important factor, since increases had been announced on the new models. Consumers were also aware that some of the new models would require lead-free gasoline, and its ready availability in all areas was something of a question.

The deep plunge in September and October coincides with consumer surveys which reported that the general public was turning extremely pessimistic about economic conditions. The impression that consumers are chary of the 1975 models is reinforced by recent sales figures. As late as mid-October, almost 40 percent of sales were 1974 models.

In late 1973, inventories piled up rapidly with dealers holding large numbers of less popular full-sized automobiles. Even with the lack of demand, some manufacturers kept building full-sized cars in an effort to avoid scrapping components that had been ordered months before. The industry campaign to "clean up" 1974 models apparently has been successful. A year ago, inventories at retail stood at 1.8 million units but have dropped steadily and sharply during 1974. Despite the decline in sales, therefore, current inventories of new cars do not appear to be excessive.

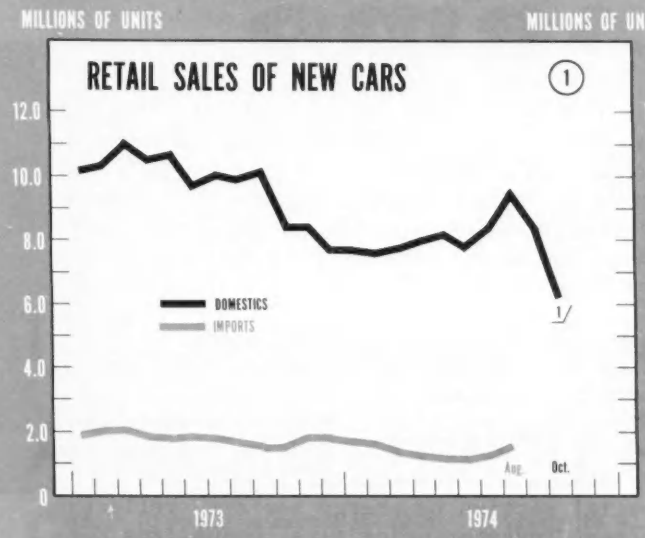
From the industry's standpoint, the profit picture is more dismal than unit sales indicate since the proportion of sales represented by smaller cars, which are typically less profitable, is larger than in prior years. In the first half of 1974, 42 percent of domestic unit sales were in the compact and subcompact classes, compared with 33 percent in 1973. For some manufacturers, the brisk sales of trucks and buses helped offset declining profits of the passenger car divisions. Even truck sales may represent some borrowing from the future, however, since some sales undoubtedly are taking place to avoid the high cost of safety equipment to be required in the future. For the sake of perspective, it should be remembered that recent profit comparisons for this year were made against the banner model year of 1973, when sales set a record despite the dropoff late in the year.

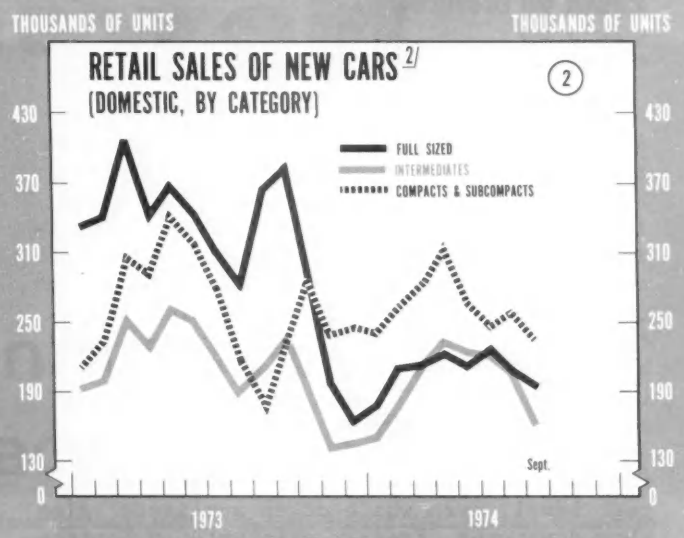
Impact cushioned

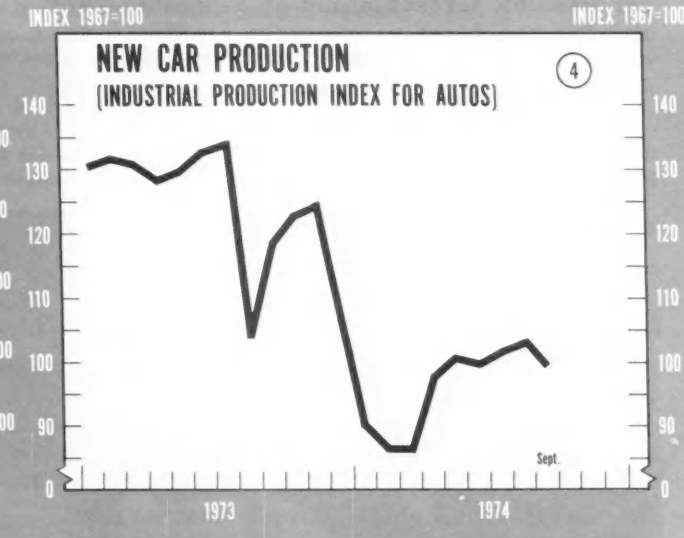
While layoffs in a major industry ordinarily have a strong economic and psychological impact, part of this effect has been and will be cushioned in the case of the automobile industry. Unemployment benefits and income maintenance agreements provide workers in the industry with a substantial proportion of their pre-layoff income for many months after they have been discharged. Thus, the indirect effects of a downturn in the auto industry may be more muted than during previous declines in economic activity.

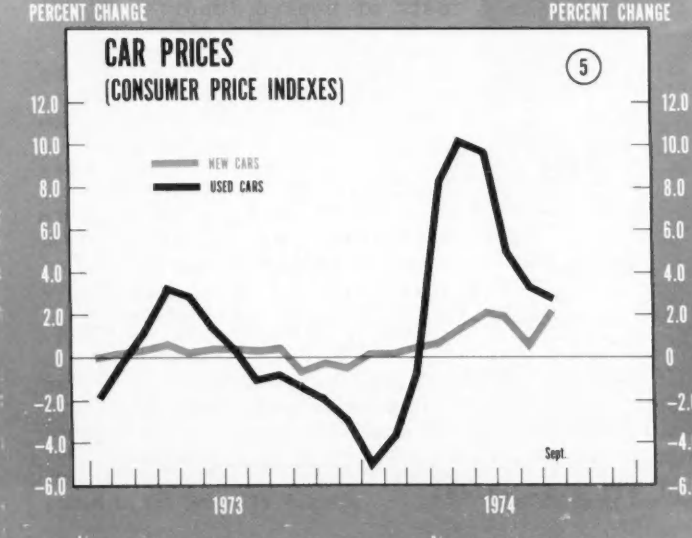
Another possible indirect effect, spending on new plant and equipment, has not occurred so far. The industry has adjusted specific investment expenditures in order to change the product mix and to comply with anti-pollution and safety regulations, but total spending has been maintained at a high level. A continuation of low profits and high interest rates could, however, affect future investment plans.

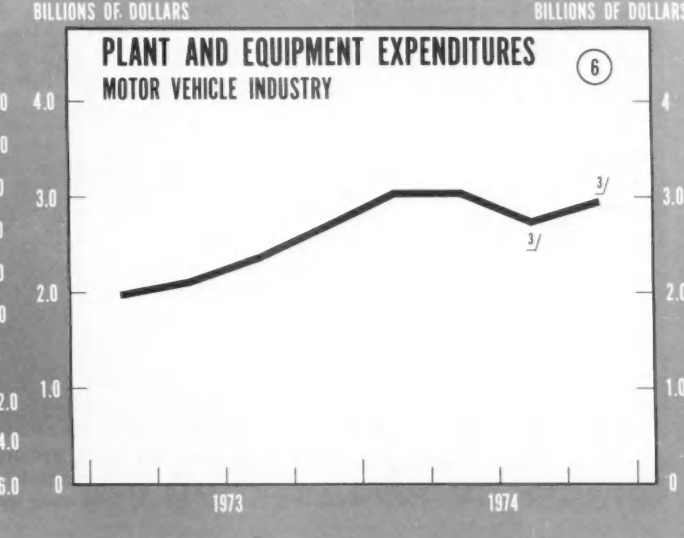
In summary, the automobile industry is suffering one of the most serious slumps in many years but part of the impact on the economy has been lightened by specific factors. Inventories have declined rapidly throughout the year. Slow sales probably reflect the special problems of the industry as well as consumer attitudes toward the economy as a whole.











1/ Annual rate, October estimate based on 1st 20 days sales
2/ Not seasonally adjusted
3/ Annual rate, third and fourth quarters estimated
All data seasonally adjusted except where indicated

Newsmemo

A reminder that government-owned inventions are available for licensing. For example, NASA scientists have developed a technique to retrieve information from damaged magnetic tapes. Using splicing tape and a special tool for smoothing surfaces, the NASA specialists have recovered information from tapes shriveled to half their original size by heat. A copy of this Patent-3 819 440-can be obtained for 50 cents from Commissioner of Patents, Washington, D.C., 20231.

Consumer acceptance of home freezers is at peak level, even while other appliance sales show downturns. Freezer shipments in September were 65 percent ahead of September 1973, and for the first nine months of 1974 were up 30 percent. Reporting these figures, the Association of Home Appliance Manufacturers compares them with parallel figures for the entire home appliance industry of minus 5 percent and minus 6 percent, respectively. Despite the overall appliance decline, the industry is having its second best year, exceeded only by 1973.

Premier weather watchers, human and electronic, have been brought together in one building near Washington, D.C. The World Weather Building of Commerce Department's National Oceanic and Atmospheric Administration is now in operation at Camp Springs, Md. One showpiece is an array of equipment for processing and distributing photos from a weather satellite poised high over equatorial Latin America. Full-disk photos of the Western Hemisphere are beamed to earth every 30 minutes night and day, and information is drawn from them on cloud cover, temperatures and high-level winds for many localities in North and South America.

The drive to get a college degree is falling off among U.S. youth. A Census Bureau report on the plans of the 3.4 million students who were high school seniors in October 1973 shows that 42 percent were definitely heading for college. The previous year's figure was 45 percent. This decline is viewed as consistent with declines in college participation rates among 18 and 19-year-olds over the past four years. In 1973, about 18 percent of the high school seniors said they did not plan to attend any school after graduation, compared to 14 percent in 1972. Among black high school seniors, the proportion with definite college plans held to about the same level in 1973 as in 1972, 38 percent.

"Kentucky U.S.A." in French, German or English. A travel guide? No, a fact and photo summary developed for foreign companies and entrepreneurs considering investment in the U.S. It is another in a growing list of state efforts to attract capital from abroad. A special section on energy sources, reflecting current investor priorities, emphasizes Kentucky's pre-eminence in coal production. It also shows that by 1975 Kentucky's electric power generating capacity will have increased more than 45 percent since 1971. The Kentucky Department of Commerce, Capital Plaza Tower, Frankfort, Ky., 40601, has produced the brochure.

A crossroads has been reached in the whole process of export financing. So concludes Eximbank director John C. Clark, noting that inflation, oil pricing and overturned trade balances have made restraints on competition in government-supported export credits pertinent today. Eximbank is tightening up on export credit loans and seeking "gentlemen's agreements" with other trading nations to deemphasize the use of the credit tool, Clark reports. The bank continues to strive, of course, to support U.S. export growth in the face of rising costs of needed imports. Its recent record: in FY 1969 Exim supported 7 percent of the U.S. export total of $40 billion, in FY 1974 18 percent of $70 billion.

In the days before the energy crunch, the nation's gasoline service stations had made a sales gain of 50 percent in a five-year period. A newly-available breakout of figures from the 1972 Census of Retail Trade showed 226,459 service stations with sales of $33.7 billion. The 1967 sales total was $22.8 billion. Service station employment was at 747,688 in March of 1972. Among the states, California, New York, Texas, Illinois and Pennsylvania led in service station activity, with the five accounting for nearly a third of all U.S. sales.

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November 11, 1974

U.S. Economy Seen Improving At Accelerating Pace Thru 1980

Gains of 10 percent or more in the dollar value of shipments for 82 of 224 manufacturing and non-manufacturing industries discussed in the new edition of the *U.S. Industrial Outlook 1975* are anticipated for next year. Meanwhile a substantial forward advance in the economy is projected for the latter half of the present decade, raising the Gross National Product to nearly $2.4 trillion in current dollars by 1980, an average annual growth rate of nearly 9 percent for the 1974-80 period.

Forecasts for individual industries for 1975, and projections up to 1980, are contained in the new outlook edition, an annual publication of the Commerce Department's Domestic and International Business Administration, just released.

The picture for 1975, as developed by Department specialists in various industries, shows a varied growth rate on a current dollar value basis for a wide range of industries, with declines below 1974 levels anticipated for only a few industries. Some recovery in housing is predicted in 1975, and the effects are expected to extend through a number of industries.

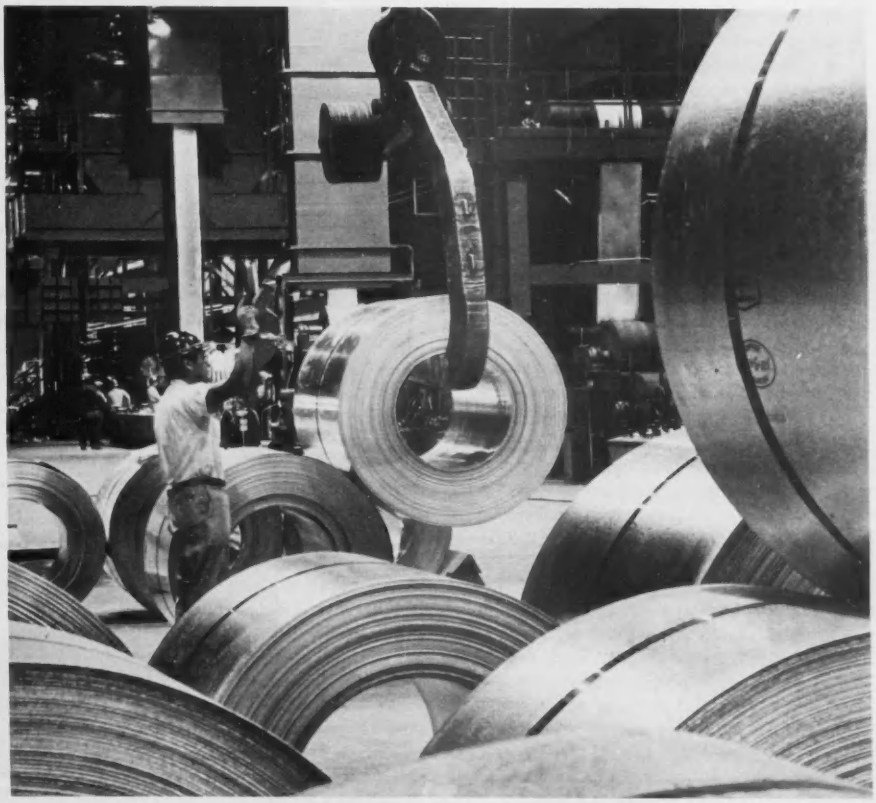
The housing sector is not likely to provide any thrust to the economy until the second half of the decade, the 432-page outlook explains. In a similar fashion, auto output, which has fallen sharply this year, is expected to begin recovery in 1975 with production of 8.5 million cars. Steel production, which operated at capacity levels in 1973 and 1974 is expected to taper off next year by about one percent, to 148 million tons.

Of the 182 manufacturing industries for which projections of shipments are included in this edition, 18 are expected to grow by more than 15 percent, 43 to increase sales from 11 through 15 percent, 94 are projected to rise from five through 10 percent and 21 to show gains of less than five percent in 1975. Only six industries are expected to fall below 1974 levels.

Among the 42 nonmanufacturing industries covered, 21 are expected to gain more than 10 percent, and 20 to increase from five through 10 percent. An advance of less than 5 percent is foreseen for only one industry.

Although inflation is expected to ease through the year, most of the projected shipment gains reflect continuing price increases of varying degrees. This is especially marked for industries subject to cost and price pressures because of limited material supplies.

The outlook report points out that the nation's economy in 1974 has been a paradox of high inflation and slow growth, strong business spending and softening consumer demand, material shortages and rising inventories. Spurred by rapidly rising prices for food, energy, and many basic



ESSENTIAL INGREDIENT—*Basic to any industrial economy, the U.S. steel industry is expected to continue operating at near capacity levels into 1975. These finished coils of galvanized sheet steel are being removed from their storage area at Bethlehem Steel's Lackawanna, N.Y., plant.*

materials, the report says, inflation emerged as the overriding problem of the year, with differential impacts of boom, strain and slack on various sectors of the economy.

The report comments that despite a reversal in the overall growth trend during the first half of the year, unprecedented demand levels for many basic materials and producer goods resulted in near-capacity operations, planned expansions, short supplies and an improved profit picture.

In contrast, the report adds, record high interest rates and rising costs, together with an inflation-eroded purchasing power, significantly slowed housing construction, auto sales and consumer spending.

The outlook says that business investment probably will continue on an uptrend during the last half of 1974 and into 1975, but at lower rates than had been expected, reflecting both rising material and labor costs and tight capital funds markets.

The report explains that the projections which it makes are based on a number of assumptions, including:

- A continued decline in the rate of inflation;
- Major advances in business investment for the second half of the decade as strong efforts are made to overcome materials and energy shortages and production capacity constraints, as well as to meet anti-pollution standards and to increase productivity;
- Housing starts averaging two million a year over the next five years, and
- Conservative levels of spending by state and local governments because of reduced pressures from the early elementary education sector and postponed anti-pollution goals.

Samuel B. Sherwin, Deputy Assistant Secretary of Commerce and Director of the Bureau of Domestic Commerce, explains that the manufacturing industries covered in the report account for about 85 percent of the value of shipments of all manufacturing industries. "Coverage," he says, "has been expanded by the addition of reports on zinc, pulp mills, fertilizer, hose and belting, engineering and scientific instruments, electrical measuring instruments, optical instruments and lenses, and life insurance."

The publication contains three special reports on subjects of particular value to American business: conservation of energy, materials shortages, and population trends. With respect to energy conservation, the report comments that based on information gathered so far potential savings in energy are estimated at about 15 percent per unit of output in industry, 25 percent in commercial buildings, and 15 percent in business-related transportation.

Significant changes

Actually realizing such savings, however, the report adds, would entail revisions of many in-plant processes, extensive retrofitting of existing buildings and redesigning of new ones, and significant changes in transportation modes. That is a long-term task. When it is finally accomplished, savings of the equivalent of as much as five million barrels of oil a day can be achieved, or about 14 percent of the present total U.S. energy consumption.

At mid-1974 oil prices, the oil portion of this saving would amount to several billion dollars a year, and thus make a major contribution towards maintaining stability in the U.S. balance of payments and the strength of the dollar.

The report says that, thus far, more than 8,000 chief executive officers have pledged their companies to better energy management and conservation programs, and that more than 200 businesses have provided the Department with details of success with conservation efforts.

There is still much to be done, the report acknowledged, and the effort will require full cooperation from the business community and the public.

With regard to materials shortages, a major factor in price increases throughout the industrial spectrum, the report observes that inflation has exaggerated the worldwide demand for primary materials, and the pressure on existing supplies and capacity may be expected to abate.

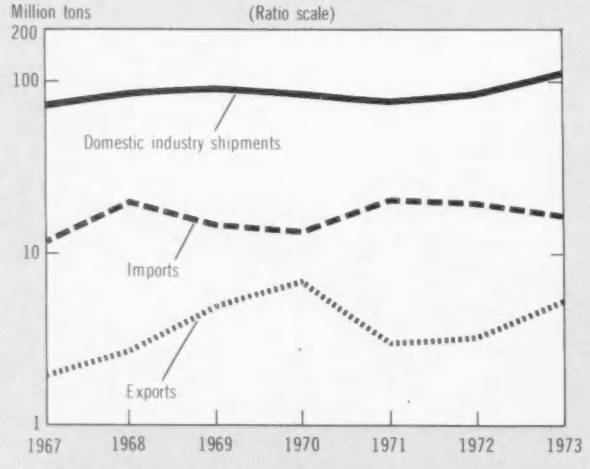
The pressure will be felt again, however, the document adds, as nations continue to pursue economic development and growth.

Second, domestic price rises may well be required to meet higher production costs or higher import prices and to encourage investment in the provision of new supplies; but in the short run, supplies are typically fixed and can only be redistributed, rather than augmented, by price advances.

Third, multiple interdependencies have to be recognized and dealt with constructively in the address to problems of shortage. For example, the short run and long run are not truly distinct. . . . domestic and international situations interact. . . . technology and economics have to be bolstered by diplomacy. . . . public and private collaboration is inevitable and necessary. . . . and, pursuit of one desirable objective may interfere with achievement of another.

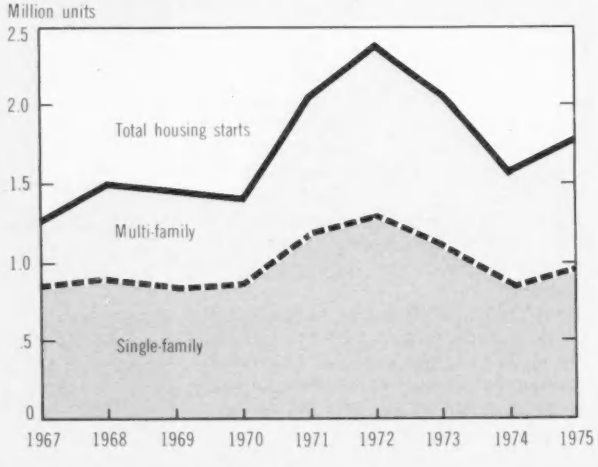
The report explains that diplomatic negotiations will have to supplement technological and economic responses to threats of supply blockage or abitrary price increases by foreign monopolists or cartels. Aside from efforts to lower the cost of petroleum to the United States, the docu-

Rising world demand boosts steel product shipments

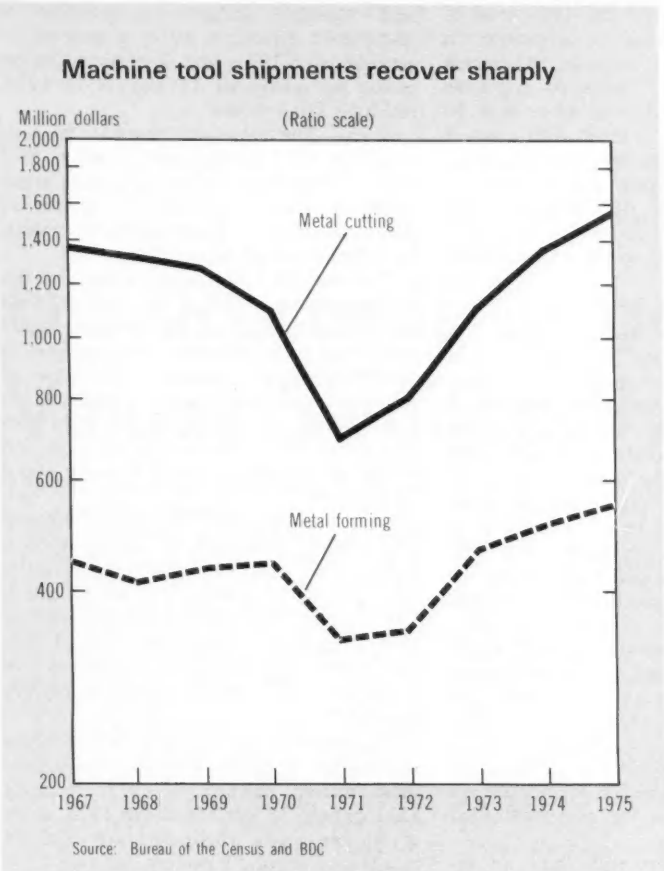


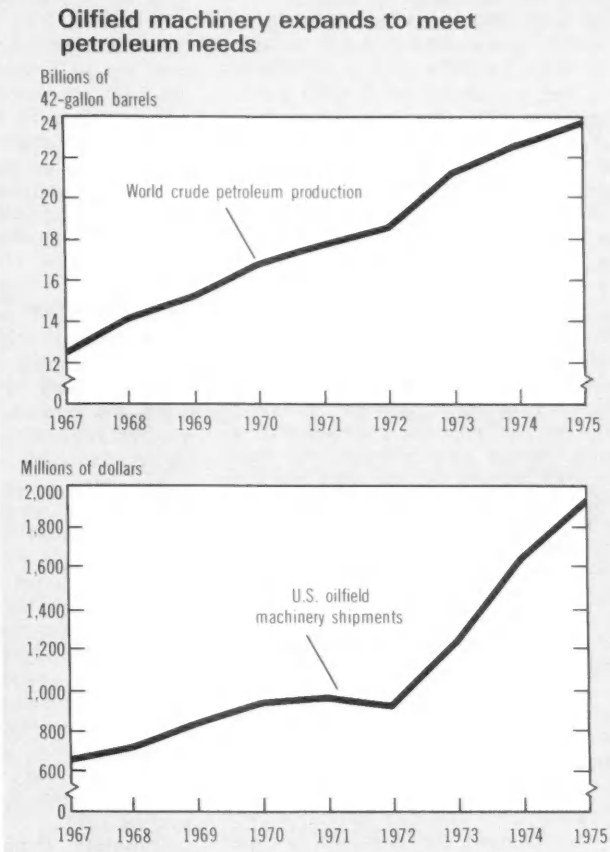
Source: Bureau of the Census, American Iron and Steel Institute, and BDC

Multi-unit dwellings slowly gaining in popularity



Source: Bureau of the Census and BDC





ment adds, attention must be given to other primary materials dominated by a small number of countries, such as aluminum ores and metal.

The report on population trends points out that even at current fertility rates, which have dropped to new lows in recent years, it will be far into the 21st Century before population levels off.

And the birth rate could rise again; it always has, the document adds.

Flow charts introduced

For the first time, the publication contains flow charts depicting the interrelationships between industry groups and their principal suppliers and customers. There are 27 of these charts, which have been included to provide businessmen with a visual representation of the complicated structure of the domestic industrial economy, as well as an indication of the complexities of formulating and executing industrial policies.

The flow chart for each industry group shows its component industries and the percentage share of their sales to customers, purchases from suppliers, and transactions with other component industries.

The outlook indicates a continuance in 1975 of exceptionally strong growth in calculating and accounting machines. Shipments, the report says, are expected to rise 61 percent to $3 billion in 1975. Product shipments of computers should rise 14 percent to $10.3 billion.

Electronic calculators, the outlook comments, have superseded their electromechanical predecessors almost entirely, and are now widening their market bases to include households and schools. Point-of-sale and visible record machines are candidates for healthy growth in 1974 and 1975. Calculator industry shipments as a whole are expected to increase 60 percent in 1975.

For the long run, the report says, software is generally expected to be the major area of emphasis during the remainder of the decade, subordinating hardware developments. Because of such problems as annual shortfalls in programming personnel, unreliable programs, and the need for new programs to handle the increased complexity of applications, users and manufacturers will be forced into a closer working relationship.

Projections for other industries include:

Construction—The value of new construction is expected to increase by 12 percent in 1975 to about $150 billion, reflecting a turn-around in housing activity. Spending levels in 1974 should be $134 billion, slightly below 1973, because of the sharp drop in housing starts in 1974. While physical volume in 1975 is expected to recover some of the ground lost in 1974, more than half the increase in dollar outlays for the year probably will result from cost increases.

Private construction, following an estimated five percent decline in 1974, is expected to climb 14 percent in 1975 to more than $111 billion. The new-housing-units component—almost 40 percent of all private outlays—probably will drop by $10 billion in 1974, but should recover in 1975 to a total slightly below 1973.

A gain of seven percent is projected for public construction, reaching a $38 billion total, but the outlook is for another year with no rise in physical volume. State and local expenditures are expected to increase more rapidly than federal.

Smaller housing units

Housing units are becoming smaller as builders try to keep prices down. Rapidly escalating land costs are encouraging more intensive land use, favoring both high-rise and town-house building.

Outlays for new public utilities construction in 1975 should reach close to the $20 billion mark, 15 percent over 1974 and 30 percent over 1973. Cost increases, however, are responsible for a large share of the increased spending.

Developments indicate an 8.7 percent compound rate of increase for total new

construction expenditures from 1974 to 1980, with 1980 outlays at $220 billion.

Mobile homes—Mobile home shipments have fallen in 1974 to the 475,000-unit level, but a rebound to 525,000 units is expected in 1975. The value of shipments is expected to increase 16 percent to $3.65 billion in 1975. By 1980, shipments should reach about 700,000 units annually.

Motor vehicles—Shipments of passenger cars, trucks, buses, bodies, and trailers are expected to rise about 2 percent in 1975 to a total value of $42 billion following an estimated eight percent decline in 1974.

Passenger car shipments are expected to drop 19 percent in 1974, but in 1975 should resume a rising trend to about $30 billion. A continued gradual decline in passenger car imports is anticipated, although foreign cars probably will retain about 15 percent of the total domestic market. Foreign-built cars no longer have the lower price advantage they once enjoyed. Most 1975 model cars will be equipped with catalytic converters plus other modifications, while others will be modified to improve emission control.

Shipments of trucks, buses, bodies and trailers, the commercial side of the industry, continued upward in 1974 to an estimated $13.4 billion. A decline to about $12 billion is anticipated in 1975.

Steel—The steel industry is expected to continue to operate at near-capacity levels throughout 1974 and into 1975. Prospects are that demand for steel will increase substantially by 1980. Demand has already grown faster than anticipated, since the level of demand during the steel market explosion of 1973-74 was not expected until the 1976-77 period.

Aluminum—Shipments in 1975 of aluminum ingot and mill products are expected to be about two percent higher than in 1974, or 14.8 billion pounds.

Good long-range view

Although the problem of sufficient supply will hold down the short-range growth rate of the industry, the long-range growth outlook remains promising. Shipments by 1980 should be about 20.6 billion pounds, reflecting an average annual growth rate of six percent for the 1974-80 period.

Zinc—After a decline during 1974, reflecting cutbacks in automobile production, domestic zinc consumption in 1975 probably will match the record levels of 1973. Supplies likely will remain short, and the U.S. will continue to depend on imports.

Copper — Consumption of copper-base mill products in 1975 is expected to climb 5 percent above levels reached in 1974. Because of continued increases in raw material and other costs, the value of shipments of these products probably will reach $10.9 billion, up 11 percent.

Chemicals and allied products—The value of shipments of chemicals and allied products should reach $89 billion in 1975, a gain of 13 percent over the 1974 total of $79 billion. The value of shipments in 1974 is expected to increase 18 percent over the 1973 figure. Projected shipments for 1975 are expected to be more than 50 percent above the 1972 level, with most of the gain accounted for by price changes.

Tight supplies and price increases will be prevalent throughout the chemicals and allied products industries during 1975, despite continuing efforts to maintain capacity operations.

Critical problem

The energy problem has been critical for the chemical industry in 1974 and appears certain to remain so throughout 1975 and beyond. It is a key factor in product availability, costs and prices. The chemical industry is the second largest consumer—after primary metals—of all forms of energy. It is the largest consumer of electricity, petroleum and natural gas, with the latter two materials also serving as feedstocks for petroleum chemical output.

Fertilizer — Despite record high prices and production, shipments of the fertilizer industry in 1975 will not meet total demand for domestic consumption and export. The value of shipments of nitrogenous fertilizers is projected to reach $2.1 billion in 1975, an increase of 35 percent over 1974. Shipments in 1974 are expected to increase 48 percent in value from the price-controlled level of 1973.

Phosphatic fertilizers will show an increase of 22 percent in value of shipments to $1,690 million in 1975.

Broadcasting—Advertisers spent an estimated $6.6 billion on radio and television advertising in 1974, up nearly 6 percent from 1973 levels. A further increase of nearly 9 percent to $7.2 billion is anticipated in 1975. Television accounts for about three-fourths of these totals, or about $4.8 billion in 1974, 6 percent over 1973 spending. A rise of nearly 9 percent is projected for 1975.

Cable television—Cable television continued to grow in 1974, adding an estimated 1.25 million subscribers. Expectation is that another 1.25 million subscribers will be added in 1975, bringing total households served to 10.75 million. An increase of 16 percent in basic subscriber revenues to $690 million is expected in 1975.

Metalworking machinery and tools—Metal cutting and metal forming machine tool shipments are expected to increase 10 percent above 1974 to a record $2.1 billion in 1975. Shipments of tools and dies are projected at $3.2 billion for 1975, a gain of 9 percent over 1974. By 1980 shipments of metal cutting and metal forming machine tools are expected to reach nearly $3 billion, and tools and dies should be at a level of about $4.5 billion, a 7.3 percent compound annual growth rate.

Fruits and vegetables—The value of production by the canned and frozen fruits and vegetables industry is estimated at about $9.3 billion in 1974, a gain of 11 percent over 1973, and is expected to increase an additional 12 percent in 1975, reaching $10.4 billion.

Sugar—The value of shipments of cane sugar in 1975 is expected to reach $3.2 billion, 20 percent above 1974. Beet sugar shipments are estimated at $1.9 billion, 30 percent over 1974. These increases primarily reflect expected higher prices.

Fats and oils—Shipments of fats and oils products are expected to be relatively high in 1975, representing significantly higher prices and some increase in volume due to expanding world demand. The value of shipments of soybean oils is expected to reach nearly $5.4 billion in 1975, 35 percent above 1974. Shortening, table oil, and margarine shipments should increase about 25 percent.

Oilfield machinery—The oilfield machinery industry experienced strong growth during 1974, with industry shipments reaching a record $2 billion, 33 percent above 1973. Oilfield machinery industry shipments should reach $2.5 billion in 1975, 21 percent above 1974. Product shipments are projected to reach $1.9 billion, 20 percent above 1974.

Wholesale trade — Sales of merchant wholesalers in nearly all lines should continue scaling upward in 1975, reaching $521 billion, 18 percent above 1974. Sales of durable goods wholesalers are expected to advance about 15 percent, totaling $230 billion. Nondurable goods wholesalers should realize a sales increase of 20 percent, reaching $291 billion.

Retail trade—Retail sales in 1975 are expected to rise to $582 billion, 8 percent above the anticipated 1974 total. The prospects of higher prices for food, energy and consumer non-durables are expected to retard retail purchases in 1975.

Containers and packaging—The value of shipments of all containers and packaging materials in 1974 is expected to reach $29.5 billion, 13 percent above the 1973 record volume. Gains in the major segments industries—metal cans, glass containers, fiber boxes and folding cartons—will range from 11 to 14 percent above 1973 levels. Quantity gains are projected at from 1 to 4 percent. The dollar shipments total of containers and packaging materials is expected to exceed $32.5 billion in 1975, up 10 percent over 1974.

Life insurance—By 1975 the life insurance business will have established new levels of performance in all major areas. Some 140 million American policy-holders will own nearly $2.1 trillion worth of life insurance, an increase of $154 billion during the year.

U.S. Industrial Outlook 1975 is for sale at $4.00 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or any Commerce Department district office.

U.S. Records Large Trade Deficit; Values Swelled By Higher Prices

Steeply rising world prices—extending not only to petroleum but to other raw materials, agricultural commodities, and manufactured goods—have played the dominant role in the expansion of U.S. foreign trade values this year. After adjustment for the effects of higher prices, exports so far in 1974 have exhibited significantly slower growth than in 1973, while imports declined in volume.

In January-September, exports were running at a seasonally adjusted annual rate of $95.4 billion, 35 percent above their 1973 total. Imports advanced by 42 percent to $98.6 billion. As a result of the faster rise in imports, the merchandise trade balance shifted back into deficit—$3.1 billion at a yearly rate—compared to the $1.3 billion surplus recorded last year.

On the basis of c.i.f. values, which include the cost of insurance and freight, imports amounted to $105.5 billion and the rate of deficit calculated from this figure was $10.1 billion.

Higher petroleum values accounted for more than half of the dollar increase in imports over last year. Oil purchases recorded a greater than three-fold advance, despite a slight drop in volume. Non-petroleum imports climbed by only 21 percent in value, but also fell in quantity. Overall, imports, measured at an annual rate, declined marginally in volume compared with 1973. Most of the gain in exports this year also consisted of higher prices, although a 9 percent advance was recorded in real terms. This rise in export volume represented a considerable slowdown from last year's 23 percent gain.

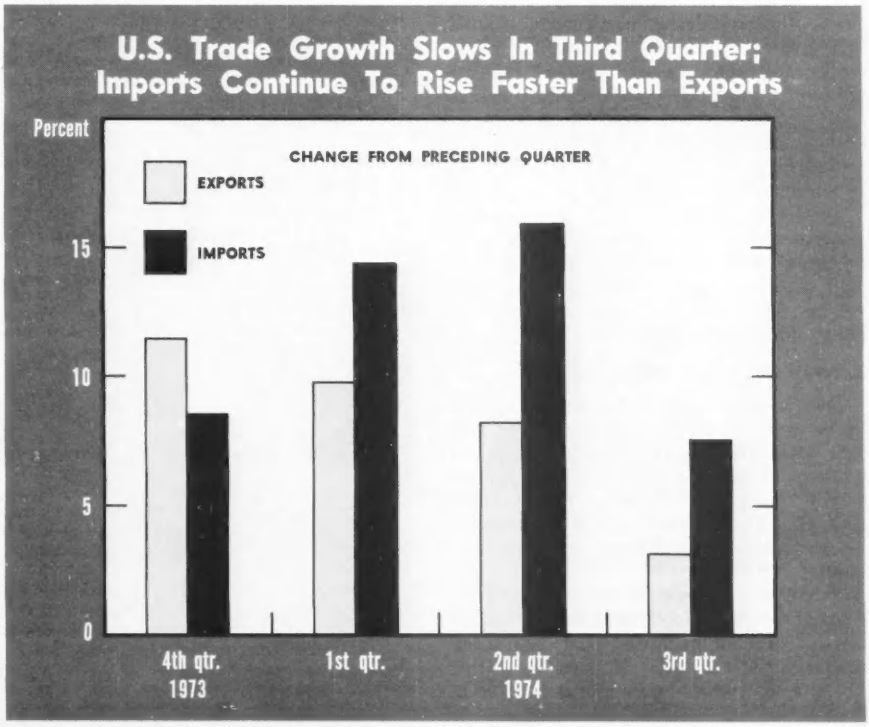
The deterioration in the U.S. trade balance this year, as measured in current dollars, can be attributed to the fact that import prices rose faster than those of exports. In real terms, the U.S. trade position continued to improve in 1974.

Since the beginning of the year, the growth in U.S. foreign trade has slowed perceptibly in terms of current dollars. Moreover, as export growth has lagged behind import growth, the trade balance shifted from a surplus at the end of the first 3 months, to a near balance by midyear, and a sizable deficit through September. In the third quarter, exports advanced by only 3 percent in value, compared with gains of 8 percent in April-June and 10 percent in the first three months. Imports rose by 7.5 percent in July-September, after increases of 16 percent and 14 percent in the earlier two quarters. The export slowdown in the third quarter resulted in part from absolute declines in agricultural and aircraft deliveries and in part from a sharp deceleration in sales of industrial materials. The reduced rate of expansion in imports can be attributed in large part to the leveling in petroleum prices following steep increases in the first part of the year.

Nonagricultural exports, seasonally adjusted and excluding military grant-aid, totaled $55 billion in January-September, 45 percent greater than in the comparable period last year. The advance was considerably more rapid than the 1973 gain in these shipments, but the speedup was entirely due to higher prices. In volume terms, nonfarm sales recorded a slower rate of increase.

In each quarter since January-March 1973, nonfarm exports have shown sizable value increases. This year, deliveries climbed by 9 percent in the first quarter, and even faster in the second; then, they slowed somewhat in the third.

Machinery exports, accounting for about a third of U.S. nonfarm exports, continued



Dollar Gains Widespread In Nonfarm Exports

	1974		
	1st qtr.	2nd qtr.	3rd qtr.
	Millions of dollars, seasonally adjusted		
Nonagricultural products, total	16,512	18,551	19,897
Machinery	5,174	5,664	6,315
Chemicals	2,002	2,193	2,343
Motor vehicles and parts	1,750	1,796	2,081
Aircraft and parts	1,202	1,440	1,311
Iron and steel	486	629	695
Coal	324	513	678

to climb vigorously, expanding by nearly two-fifths to $17.2 billion. Sales rose this year mainly as a result of further growth in foreign investment outlays, continued U.S. competitiveness, and sustained demand for high-quality, technologically sophisticated equipment unavailable elsewhere.

Shipments of electronic computers and parts posted another sizable increase in January-September, reaching a total of $1.6 billion. Sales of other business machinery also climbed substantially. Deliveries of farm machinery and tractors, after a steep gain in 1973, rose even more rapidly. This increase reflected worldwide efforts to expand agricultural production in the wake of the tight food supply situation of the past three years. Exports of construction and excavating equipment also advanced again. The strong gain chiefly reflected heavy demand from Canada and from the developing countries, particularly Africa and East Asia, where large-scale public works and resource exploitation projects are under way. Materials handling equipment scored a good export gain, though slightly lower than in 1973. The large increase in deliveries of mining and well-drilling machinery was the direct outgrowth of expanding global oil exploration activity. Among electrical machinery exports, shipments of semiconductor devices, particularly parts to U.S. affiliates abroad, registered the largest advance, reaching $1 billion in January-September.

Aircraft deliveries gain

Sales of civilian aircraft climbed by two-fifths over the comparable period a year ago. Deliveries increased in the first two quarters of 1974, with a particularly large gain in April-June. These exports declined somewhat in the following three months, but remained well above any other previous quarter.

Shipments of automotive products to Canada continued to climb this year, mainly on the strength of greater car and truck deliveries. The outflow of parts also rose, but at a somewhat slower rate than in 1973 because of a decline in Canadian vehicle production. Automotive exports to countries other than Canada expanded vigorously as well.

Sales of various industrial materials contributed significantly to the increase in the value of nonagricultural exports this year. Most of the gain in these shipments reflected sharply higher prices, which in turn resulted from continuing tight supplies.

Drop In Corn Shipments Cuts Third Quarter Farm Exports

	1974		
	1st qtr.	2nd qtr.	3rd qtr.
	$ millions, seasonally adjusted		
Agricultural products, total	5,878	5,669	5,067
Wheat	1,066	847	1,169
Soybeans	1,030	888	845
Corn	1,008	1,244	660
Cotton	336	402	334

Nevertheless, a number of commodities showed quantity increases. Steel exports more than doubled in value over the first nine months of 1973; they also gained by 62 percent in quantity, as demand abroad remained strong and supplies limited. Coal deliveries expanded somewhat in volume, but the value more than doubled as prices rose from $18.50 per ton in January-September 1973 to $35 so far this year. Chemical exports posted a sizable gain, largely reflecting soaring values for organic intermediates and plastic materials which jumped sharply in price.

After recording steep increases in both the first and second quarters, the growth in industrial materials exports slowed abruptly in the July-September period, despite further price increases. Products within this group where declines were recorded in value from the second quarter include organic chemicals, nonferrous metals, plastic materials, and lumber. Though steel, coal, and woodpulp exports increased in July-September, their growth was at slower rates than in the preceding three months.

Farm sales grow

U.S. exports of agricultural products climbed by one-third in value in the first 9 months, totaling $16.6 billion. All of this increase represented higher prices; overall, the volume of farm shipments declined somewhat from last year's level as a result of a reduction in foreign demand and tight U.S. supplies of certain key commodities. The value of farm shipments rose sharply in January-March this year, but fell slightly in the following three months and registered an even larger decline in the third quarter, mainly because of a huge drop in corn exports.

Among farm products, soybeans showed the largest increase over the first nine months of 1973, rising by nearly 50 percent. Corn sales, too, jumped sharply in value, though the quantity shipped through September was substantially less than last year. Large value increases were recorded in both the first and second quarters, but there was a precipitous drop in the third because of our limited supplies. After a huge rise in 1973, wheat deliveries turned downward this year in quantity, mainly because of reduced deliveries to the Soviet Union. These exports trailed January-September 1973 levels by 40 percent in quantity, though much higher prices boosted the value.

Oil prices affect imports

Petroleum prices were by far the most important factor in the huge rise in U.S. imports in January-September, averaging

Oil Values Rise More Slowly As Prices Level Off

Imports of petroleum and products

	1973		1974		
	3rd qtr.	4th qtr.	1st qtr.	2nd qtr.	3rd qtr.
Value (billion $)	1.9	2.7	4.6	6.5	6.8
Volume (million barrels)	593	609	497	561	585
Unit value ($ per barrel)	3.28	4.37	9.15	11.60	11.64

Import Advance In Third Quarter Is Led By Non-Petroleum Industrial Supplies

	1974		
	1st qtr.	2nd qtr.	3rd qtr.
	Millions of dollars, seasonally adjusted		
Imports, total	21,705	25,160	27,057
Industrial supplies	10,038	12,664	14,109
Petroleum and products*	4,551	6,502	6,817
Other industrial supplies*	5,487	6,162	7,292
Consumer goods	5,915	6,444	6,782
Capital goods	2,395	2,819	3,021
Foods, feeds, and beverages	2,850	2,658	2,543

* Not seasonally adjusted

3½ times greater than in the same months of 1973. Purchases of petroleum and products totaled $17.9 billion in the first nine months compared to $5.1 billion last year, despite a 3 percent decline in quantity. The rise in oil prices pushed the value of these purchases up sharply in the first two quarters of this year; in July-September, only a moderate further rise was recorded as prices leveled off and quantities expanded modestly.

Imports of other industrial supplies totaled $18.8 billion in January-September. This one-third increase was largely accounted for by higher prices. The dollar value of steel purchases from Japan and Germany rose sharply, although the quantity declined, reflecting limited availabilities for shipment here, particularly earlier in the year. The trend since the beginning of 1974 has been upward, however, with sizable increases recorded in volume, as well as price, in both the second and third quarters.

Greater demand and strike-hedge buying, along with higher prices through the second quarter, accounted for the increase in copper entries. Arrivals of newsprint and wood pulp continued to climb in value, while lumber purchases, reflecting the slump in U.S. construction activity, fell by one-third.

Slowdown in consumer goods

Imports of consumer goods rose 13 percent to total $19.1 billion in January-September, a slight deceleration from the advance recorded last year. Purchases of cars from Canada fell in quantity terms, reflecting the slump in U.S. auto sales, though the value edged up slightly. Entries of foreign cars, despite a falloff in the third quarter, were still sharply higher than in January-September 1973, resulting in a substantial build-up of inventories.

Motorcycle entries advanced sharply in the 9-month period, mainly on the strength of heavy third-quarter entries. The reduced pace of consumer spending this year, together with higher price tags, largely accounted for the fact that purchases of clothing, footwear, radios, televisions, sound recorders, and gem diamonds changed little from last year's levels.

Capital goods imports, totaling $8.2 billion, increased by more than a fourth. Machinery arrivals advanced in value despite a leveling off in expenditures for producers' durable equipment in this country. Sizable increases were recorded in imports of agricultural machinery, tractors, electronic calculators, and machine tools. Truck arrivals from Canada and Japan continued to climb.

Prices boost food entries

Despite a sharp falloff in July-September, entries of foods and beverages increased by 22 percent in value in the first nine months. The quantities of many imported foods fell, however, in this period. Coffee arrivals declined in each of the last two quarters in reaction to relatively high stock levels in this country. The value of meat imports was moderately higher in the 9 months, though quantities dropped off. Arrivals declined sharply in the second and again in the third quarters. Declining U.S. prices in the second quarter and substantial domestic supplies reduced the attractiveness of this market to foreign exporters. Entries of sugar, which were sharply higher in price because world consumption has outpaced production, doubled in value, but advanced by only 12 percent in quantity.

Surplus with most areas

Trade with the developed countries as a group shifted from $2 billion deficit in January-September of last year to a $2 billion surplus. The trade gains with these countries were most pronounced in the first quarter; generally, they were weaker in the second, and again in the third quarter. Our deficit with Canada in the latter quarter was more than double that in January-March, while the balance with Japan shifted from a small surplus in the first 3 months to a $675 million deficit in July-September. The surplus with Western Europe declined by about $150 million per quarter.

The U.S. trade position vis-a-vis the oil-exporting developing countries showed a huge deterioration resulting from the increase in petroleum prices. Imports from this group of nations increased by $10.3 billion over the value in the comparable 1973 period, far outpacing the $2.2 billion gain in U.S. exports to these countries. Our trade balance with the other developing countries, on the other hand, posted a large favorable shift as our exports to these nations soared.

The trade surplus with socialist countries was reduced from last year's level. Sizable export increases to the People's Republic of China and the Eastern European nations were offset by the sharp drop in shipments of grain to the USSR, while imports from all the major countries in this group rose considerably.

ECUADORIANS IN FOREIGN BUYER PROGRAM—*More than $5 million in public safety vehicles and equipment was sought by Ecuadorian officials in contacts with Commerce's Office of Export Development and U.S. firms. From left are Steven Vogel, Export Manager, Sturm Ruger Corporation, Southport, Conn.; Dr. Carlos Estarellas, Assistant Attorney General of Ecuador; Admiral Revan Olmeda, Governor of Ecuador's State of Guayas; and John H. Shoaf, Commerce International Trade Specialist. The Foreign Buyer Program operates overseas and in the U.S. to assist prospective purchases of U.S. goods and services.*

Participative Management, Bonuses Boost Productivity For Michigan Firm

This is the fourth in a five-part series of articles authored by White House Fellow Betty Shelton, as part of Commerce's continuing emphasis on improving productivity in U.S. industry. Miss Shelton, who was assigned to the Department of Commerce, visited five firms in different industries and of varying sizes which have been particularly successful in implementing programs to boost productivity. She talked with management and workers alike, to obtain as complete a picture as possible of what the changes had meant at all levels.

Have you ever heard of a company whose workers volunteered to be laid off?

It happened at Donnelly Mirrors, Inc., of Holland, Mich., where the company made available a Manpower Resources Pool to train the workers for new assignments.

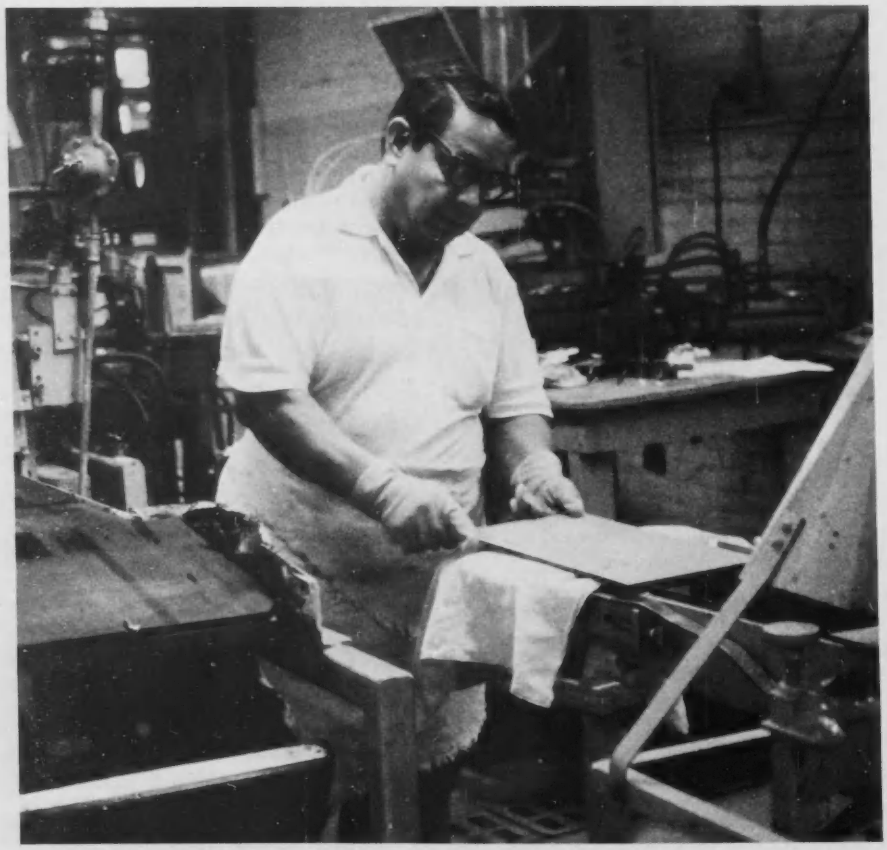
Since 1952, Donnelly's productivity-per-person has more than doubled. Its main products, automotive mirrors, sell for less today than they did 20 years ago, yet its profits are as good or better. Over a five-year period, Donnelly increased wages by $850,000 and had cost reductions of $1.5 million. Forty percent of all net cost reductions go into the bonus pool.

The firm utilizes a bonus plan as a productivity sharing plan (not a profit sharing plan). Donnelly Senior Vice President Richard N. Arthur points out that the company's wages and bonuses are among the top ten in the area, and the company pays monthly productivity bonuses as well. He feels strongly that bonuses should not be used as a substitute for adequate wages. An employee who has worked a minimum of 20 hours per week is eligible to share in the bonus plan after 30 days.

Donnelly basically follows the Scanlon Plan in determining bonuses. There are three possible formulas in the Scanlon Plan: one includes labor only; the second includes materials, supplies and other expenses in addition to labor; and the third includes all expenses and income. Donnelly management believes that the more expenses included in a bonus plan, the better the savings potential in the long run. Therefore, the company follows the third formula: Actual expenses are deducted from gross sales. From 50 percent of the balance, a portion is set aside as the deficit reserve. The remainder becomes the monthly bonus, divided among employees as a bonus percentage on earnings.

Donnelly has been working at achieving full participative management for 20 years. Company executives believe, however, that with the greater awareness today of participative management, other companies could accomplish the same ends in three to five years.

As part of its new plan, Donnelly abolished time clocks and punching in and out, and put all employees on salary. After this was done, absenteeism dropped from 5 percent to less than 1.5 percent, tardiness went from 6 percent to under 1 percent, and employee turnover averaged about .5 percent per month. Salary ranges are posted in the workplace, so employees know approximately how much individuals in each group earn. If an employee feels that his job should be upgraded, he is given a hearing within one day.



INCREASED PRODUCTIVITY—*Donnelly Mirrors, Inc. employees such as Octaviano Ramirez (above) have helped the company more than double its productivity since 1952. Donnelly follows the Scanlon Plan in determining bonuses, which are awarded monthly for productivity.*

To aid its switch to participative management, Donnelly takes a company-wide survey, administered by the University of Michigan, once a year. The purpose of the survey's 200-300 questions is to determine how the changeover from the original autocratic system of management is progressing. Donnelly tried taking the survey less frequently, but discovered that good employee morale required the opportunity to discuss the new system on a regular, yearly basis. Occasionally, Donnelly runs a spot-check survey in a problem area, with a dozen or so questions. In this case, the survey results are provided to the supervisor and the team for them to evaluate and use in resolving their difficulties.

Donnelly also has involved the production personnel in the purchase of machinery, a logical move, since these are the people who will be responsible for the successful operation of the machinery. For example, when the company was considering a particular piece of machinery, not only the purchasing agent but an engineer and a machine operator flew to California to check out the machine.

PARTICIPATIVE MANAGEMENT—*Donnelly employees form a committee that negotiates with management to set pay packages. They must come up with cost reductions to offset increases.*

Guaranteed employment

Donnelly has set a policy where an employee who achieves a cost reduction by eliminating his job (which would almost always be the case) is guaranteed indefinite employment. He is given six months at his present job to find another job at the company that pays as much as or more than his present position. In one case, an operation involving 36 people on three shifts reduced its manpower to 18. All the workers found new jobs at Donnelly within three to four months.

Arthur explains how Donnelly is able to guarantee its people employment. Since turnover averages about 10 percent per year, which involves about 50 jobs, and Donnelly averages 14 percent growth per year, which creates at least another 50 jobs per year, the company could, in effect, eliminate 100 jobs per year without having to lay anybody off.

The fundamental basis of participative management is the building of trust. Donnelly's employees are "very much involved in the setting of their standards," according to Donnelly's Arthur, although they do not set the standards themselves.

Under Donnelly's new work team system, groups of people with a common responsibility meet to set production standards and long and short range goals, and to offer suggestions on production and quality problems, methods of operation and company policy. Since 1967, Donnelly's quality in production has increased by about 8.5 percent. Returns have dropped from 2.8 percent to .11 percent.

In cases where Donnelly people have eliminated their own jobs, or in other situations producing surplus people such as elimination of product line, elimination of a position for cost reduction, or general reorganization, Donnelly's Manpower Resources Pool is put to work.

If there are no openings elsewhere in the company where the worker can be accommodated, he or she has three options:

- To take up to six months at full pay to locate a position outside the company. Donnelly will assist in this search, if desired.
- To accept a temporary (up to 12 months) assignment in the Manpower Resources Pool, while looking for outside employment.
- To accept a Pool assignment for retraining and reassignment to another position in the company.

In the latter two cases, the worker will be asked to accept assignments in keeping with his skills and dignity, of which he is the judge. If there is no likelihood the worker will find an appropriate position within the company, he will be given up to six months severance pay.

While assigned to the Manpower Resources Pool, the worker is assured the following:

- No reduction in salary.
- Full participation in general increases and fringe benefits.
- If transferred to a higher group, that compensation is applied.
- If transferred to a lower group, he can negotiate the compensation before accepting the assignment. He may be able to retain his higher compensation but not receive any increases until other salaries in the group come into line with his.

While on temporary assignment by the Manpower Resources Pool, the man's salary, other benefits and training expenses are charged to the Pool, to prevent a department claiming it can't afford the employee. There is no obligation on the part of the supervisor to retain the employee nor on the part of the employee to accept a permanent assignment.

Donnelly's employees are also involved in setting their yearly pay packages. Donnelly, a non-union company except for its plant in Ireland, has an Employees Committee that operates in a similar manner to a union. The committee considers all material relating to a wage package, such as cost-of-living increases, area wage average and what the major union is doing, and reaches its decision. Members then meet with a Donnelly Committee. The resultant bargaining usually leads to agreement within an hour.

In establishing its pay packages, Donnelly requires its Employees Committee to come up with cost reductions to offset the increases. When Donnelly eliminated time clocks, it estimated that paid absences, under the new salary plan, would cost an additional $60,000. Within a month, the Employees Committee had located cost reduction for more than four times that amount! Donnelly's cost reductions come from throughout the company, not just the production area.

By inviting employees to participate in determining their own working conditions and salaries, Donnelly Mirrors has improved its productivity, reduced its costs and increased its profits.

Energy Management Digest

RE-USING HEAT...Commerce's National Technical Information Service has prepared a bibliography containing 25 abstracts on total energy systems, waste-heat boilers, use of waste heat for sewage treatment, and beneficial uses and effects of waste heat from electric power plants. The 29-page report, entitled Waste Heat Utilization: A Bibliography With Abstracts, can be ordered for $20 from NTIS, P.O. Box 1553, Springfield, Va., 22151. Ask for COM-74-10313/G.

SPREADING THE WORD...A soon-to-be-completed series of meetings at the ten Federal Energy Administration regional headquarters around the nation is informing state and local government officials of the services available from FEA's National Energy Information Center. The Center contains the most comprehensive system of energy information ever assembled by the Federal Government. The idea is to make sure that every public official in the country is aware of the Center, and knows how to use it in planning energy-related programs. The meetings are also designed to determine the Center's limitations, to identify the kinds of additional data which local officials require. Begun last May, the Center acts as a clearinghouse for information compiled by the many federal agencies involved in the energy problem. In addition, it is tied into many computerized energy information services throughout the country. Started in Boston in mid-October, the series will conclude with meetings in San Francisco (Nov. 12), Seattle (Nov. 14) and Atlanta (Nov. 19).

"TIPS FOR THE MOTORIST"...The Federal Energy Administration has published a handy brochure that describes 30 good ways to get better gasoline mileage. If every car owner in the nation cut fuel consumption by just 15 percent, FEA points out, available supplies would increase by over 28 million gallons per day. "Tips for the Motorist" notes that a fuel-economy-conscious driver should be able to get at least 30 percent better mileage than an average driver, and 50 percent better than a poor one, just by improving driving practices. The illustrative brochure fits easily into purse, pocket or glove compartment, and includes sections on how to improve driving skills, take proper care of a car, plan trips, and what to consider in buying new cars. Single free copies are available from Consumer Information, Pueblo, Colo., 81009. Bulk orders are available from Energy Conservation, Federal Energy Administration, Washington, D.C. 20461.

SEMINAR SEEKS ENERGY ANSWERS...A week-long seminar on fuel conservation for the metal manufacturing and processing industry has been announced by the Institute of Gas Technology, a non-profit education and energy research institution headquartered in Chicago. The Efficient Use of Fuels seminar (Dec. 9-13) will present the newest technologies for reducing energy consumption in the steel, iron, lead, copper, zinc and aluminum metallurgical process industries. The seminar is directed at metals industry plant management and engineering personnel concerned with or responsible for efficient fuel and energy utilization. Industrial fuel conservation authorities from the United States, Europe and Asia are scheduled to participate and present technical papers. Contact Frank Ekman, IGT, 3424 South State St., Chicago, 60616. (312/225-9600, Ext.668)

WHEN FUEL EQUALS FOOD...More petroleum is used for farming than for any other single non-transportation industry. While farm production has doubled since the 1930s, fuel consumption for agricultural operations has increased four times. The U.S. food system, including farming, processing, shipping and food preparation accounts for approximately 13 percent of total U.S. energy use. Last year the country's food supply came from 354 million acres of cropland. Each of those acres required an average of 22 gallons of petroleum fuel. This year farmers are being asked to put an additional 10 million acres into production. This means an additional 220 million gallons of fuel. Recognizing that the difference between the increased demand for agricultural production and the reduced supply of energy could mean an additional strain on the agricultural industry, FEA has put agriculture in a special high priority group. However, regulations require that all agricultural fuel users receiving allocations at 100 percent level of current requirements certify to their supplier ways in which they are conserving energy.

Predictions Pinpoint U.S. 1990 Personal, Per Capita Income Levels For All Areas

A set of long-term regional projections of personal income, employment, and population has been released by Commerce's Bureau of Economic Analysis. The report contains good news for Florida residents, as six of the eight standard metropolitan statistical areas which are expected to show the fastest sustained gain in personal income through 1990 are located in that state.

Area Economic Projections 1990 marks the first time projections have been published for BEA economic areas, standard metropolitan statistical areas and non-SMSA portions of economic areas.

These projections have three major types of uses. First, they serve in the assessment of future public and private demands for various types of goods and services. These include, for example, demands for consumer goods and services, for the physical capital related to energy resources development and pollution abatement, as well as needs for teachers, policemen, doctors, and workers in other public and private capacities.

Second, the projections provide a preview of the probable future of an area's economy through which current or emerging problems such as inadequate per capita incomes, the loss of a basic industry, or the deterioration of the environment can be foreseen and corrective policies adopted.

Finally, the projections form a baseline framework useful for program evaluation purposes. If a remedial or developmental program is considered for an area, the projected economic activity in that area can be modified to reflect the expected effects of the program. Comparison of the modified projections with the baseline projections provides a quantitative measure of the effects of the program, positive or negative, in each affected region.

For purposes of economic analysis and projection, the nation has been regionalized by BEA into 173 functional economic areas.

Boundaries are drawn so that each region has all of the economic components, in varying proportions, that are found in the national economy. As a result, each region encompasses a "complete" economy and its economic activity consists of a group of heterogeneous, rather than homogeneous, industries.

Each BEA area consists of an urban center and the surrounding counties in which economic activity focuses on that center. As shown in the map on page 16, BEA's economic areas cover the entire land area of the United States. The 253 SMSA's cover only the marketing area directly associated with each metropolitan center.

Each area has two types of industries: export (or base) and residentiary. The base industries produce goods and services that are for the most part exported to other areas, thereby providing the earnings with which the area purchases the export goods and services of other areas. The production of export industries is not always exported in the usual sense. Production in certain cases is exported in the form of local consumption by tourists or out-of-area students. "Export" industries usually account for between 35 and 45 percent of all industries in an area.

The second type of industry, termed "residentiary", produces most of the services and some of the goods required by local business as intermediate products and by the household sector for final consumption. Each economic area approaches self-sufficiency with respect to its "residentiary" industries.

Total personal income

Nationally, the BEA report expects total personal income in constant 1967 dollars to increase 3.8 percent per year from 1969 to 1990. Rising about 120 percent from $691 billion to $1,517 billion, total income will advance by $826 billion during the period.

The report projects the average gain among the nation's 253 standard metropolitan statistical areas at 3.9 percent from 1969 to 1990. The fastest annual rates of expansion in real total personal income, ranging downward from 7 percent to 5.7 percent, are projected for Sarasota, Fla.; Fort Myers, Fla.; Bryan-College Station, Tex.; Columbia, Mo.; Fort Lauderdale-Hollywood, Fla.; Miami, Fla.; Tampa-St. Petersburg, Fla.; and Tallahassee, Fla.

The fastest growing BEA areas, in terms of total personal income, are expected to be Miami, Tampa-St. Petersburg, Tallahassee, Phoenix, Reno, Orlando, Washington, D.C. and Atlanta.

U.S. per capita personal income (in 1967 dollars) is projected to average $6,166 in 1990, a gain of $2,731, or nearly 80 percent, from 1969.

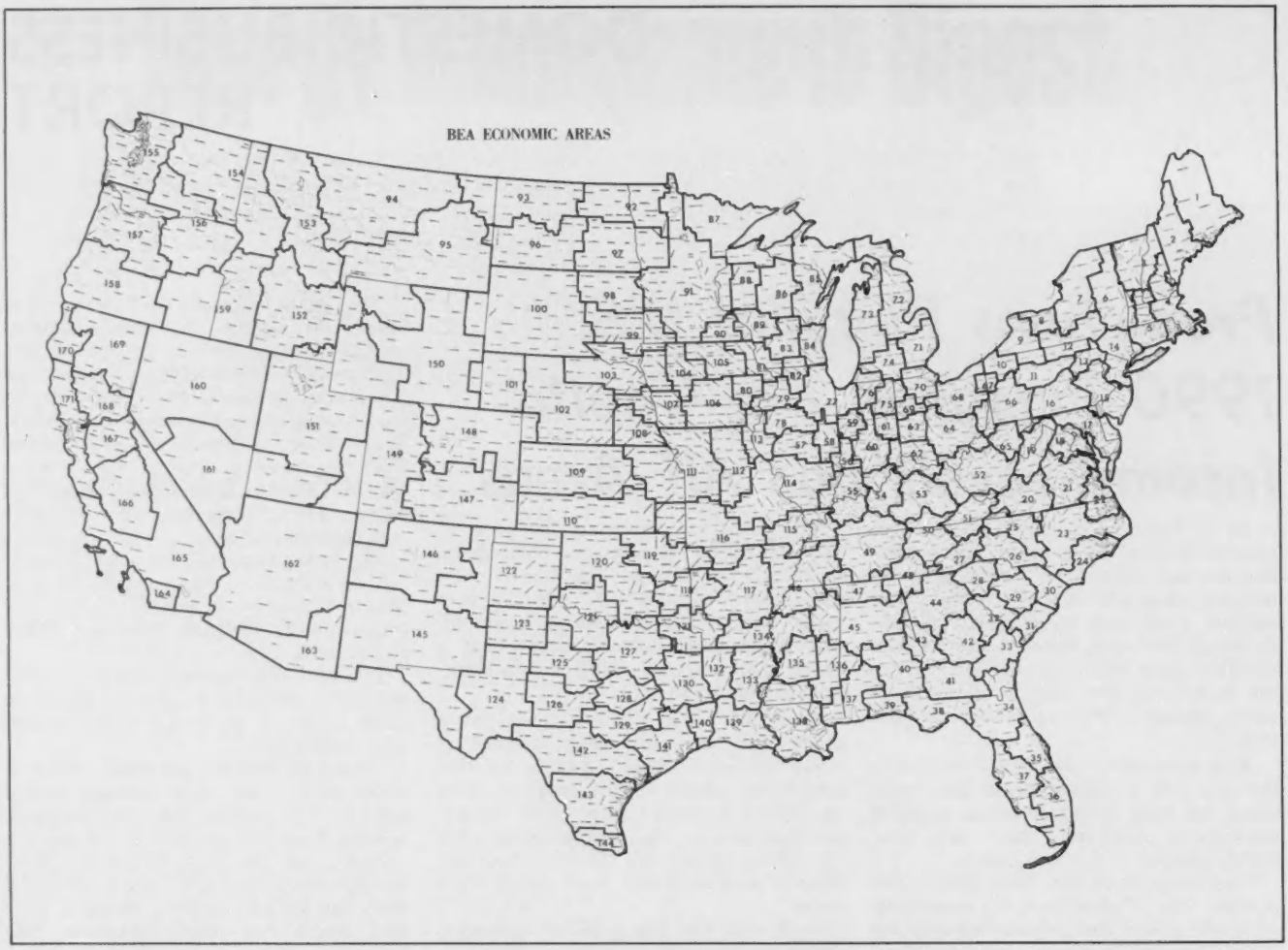
Among the SMSA's, per capita income is projected to grow at an average annual rate of 2.7 percent. The largest gains, ranging from 3.7 percent to 3.3 percent annually, are projected for Laredo, Tex.; McAllen-Pharr-Edinburg, Tex.; Brownsville, Harlingen-San Benito, Tex.; Amarillo, Tex.; Fort Smith, Ark.-Okla.; Johnstown, Pa.; Tuscaloosa, Ala.; Wilkes-Barre-Hazleton, Pa.; and Scranton, Pa.

Biggest per-capita among the BEA economic areas are expected to be Greenville, Miss.; Brownsville-Harlingen-San Benito; Meridian, Miss.; Florence, S.C.; Albany, Ga.; Dubuque, Iowa; Wausau, Wis., and Fort Smith.

These projections, including those for population, employment, income, and gross national product, were prepared first at the national level based on trends in labor force participation, number of manhours worked, and productivity per manhour. The national population estimates were based on Census Bureau Projections.

The national economy was projected in industrial detail, and then national totals were distributed regionally in accordance with trends in the regional distribution of economic activities. Area projections of population were derived from the projections of income and employment, since labor force migration responds to employment opportunities in each region.

Total personal income consists of private and government wage and salary payments, in cash and in kind, other labor income, farm and nonfarm proprietors' income, interest, net rents, dividends, and transfer



ECONOMIC DIVISIONS—*Bureau of Economic Analysis economic areas account for the entire country. Alaska is area 172, and Hawaii is 173.*

payments, less personal contributions for social insurance. It is measured before deductions of taxes on personal income and of other personal taxes, and is usually reported in current dollars (no adjustment is made for price changes). As it would be hazardous to project price changes, and to make this report serve planners as a uniform yardstick, personal income data are shown in dollars of constant purchasing power.

Per capita personal income equals total personal income divided by total population.

Area Economic Projections 1990: States and Regions, BEA Economic Areas, SMSA's, Non-SMSA Portions of BEA Economic Areas is available from District Offices of the Department of Commerce and from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at a price of $3.05. The stock number is 0324-00490.

The projections are also available on magnetic tape from the U.S. Department of Commerce, Bureau of Economic Analysis Division, Washington, D.C. 20230.

Tax Revenues Up $24 Billion In '73

Tax revenues collected by all governments in 1972-73 were $24.1 billion higher than fiscal 1971-72, rising from $262.5 billion to $286.6 billion. Commerce's Bureau of the Census reports that total federal, state, and local governmental revenue amounted to $426.2 billion, up $44.3 billion.

Of the total national tax revenue, 58 percent was collected by the Federal Government, 24 percent by State governments, and 19 percent by local governments.

The $286.6 billion in tax revenue included $162.8 billion from individual and corporate income taxes ($121.2 bilion from individuals and $41.6 billion from corporations); $61.8 billion from sales, gross receipts, and customs; $45.3 billion from property taxes, and $16.7 billion from all other tax sources.

A breakdown of non-tax revenue shows $51.9 billion from charges and miscellaneous general revenue (such as school tuition, housing projects, airports, port facilities, and hospital charges); $8.6 billion from utilities; $2.3 billion from liquor stores, and $76.7 billion from insurance trusts.

The Federal General Revenue Sharing program represented a new source of state and local revenues in fiscal 1973: total funds distributed to states in this program amounted to $2.3 billion; an additional $4.4 billion was paid to local governments.

Total governmental expenditure in fiscal 1972-73 was $432.6 billion, up $35.2 billion from the previous year. A total of $245 billion was spent for current operation by all governments; $55.3 billion for capital outlay; $30.7 billion for assistance and subsidies; $26.2 billion for interest on debt; and $75.3 billion for insurance benefits and repayments. Included in current operation expenditure is $142.5 billion for personal services, representing about one-third of all governmental expenditure.

Indebtedness of all governments at the end of fiscal 1972-73 was $646.6 billion, including a federal public debt of $458.1 billion. State and local government debt increased $14 billion during this period to a record total of $188.5 billion.

New Unit Will Coordinate Nationwide Attack On Fires

A coordinated effort has been launched to reduce the nation's enormous losses from fire, which add up to 12,000 deaths, tens of thousands of severe burns, and $11 billion in property damage each year.

The attack on this catastrophic toll is to be carried out by Commerce's National Fire Prevention and Control Administration, authorized by the 1974 Federal Fire Prevention and Control Act which was recently signed into law by President Ford.

The President said in signing the bill: "Federal assistance for research and development on fire problems will be consolidated and expanded to provide the scientific and technological base for the development of materials, equipment and systems to reduce the number and severity of fires."

U.S. figures 20 times Japan's

Comparative figures indicate that Japan reports .61 fires for each 1,000 persons every year as compared to 13 for the United States. Japan reports 2.88 fire deaths for each million persons annually as compared to 57.1 for the United States or 20 times less than the American figure. Statistics for several European countries reveal roughly the same comparative performance, and while the statistical basis for these figures is less than perfect they leave no doubt as to the relative position of the United States in the problem of fires.

Answers as to why the United States has such an unenviable position include the following: U.S. homes generally are of wood construction as compared to the stone and concrete commonly used in Western Europe, for example. U.S. living and working places are often heavy with plush furnishings. There is some correlation between energy consumption and fire incidence. In addition, there is the matter of public attitude: in the United States, fire is regarded as a misfortune or accident, while in Japan having a fire is considered a felony.

A reduction of 50 percent in the United States fire toll is the goal proclaimed by Dr. Joseph Clark, formerly of Commerce's National Bureau of Standards, appointed by Secretary of Commerce Frederick B. Dent as Acting Administrator of the National Fire Prevention and Control Administration.

The Secretary announced the establishment of the NFPCA and the appointment of Clark as Acting Administrator at a recent news conference. He said that President Ford is searching for a full-time Administrator, and that when he has been chosen his nomination will be submitted to the Senate for confirmation.

Clark said that, in attacking the fire loss problem, primary emphasis will be placed on loss of life, and that an effort will be made to single out areas in which the problem may be tackled in the earliest possible time. Secretary Dent commented that the "totally unacceptable rates of death, injury, and property loss due to fire can be reduced if we have a coordinated program to support and reinforce the fire prevention and control activities of state and local governments.

"While fire prevention and control is and should remain a state and local responsibility, the Federal Government must help if a significant reduction in fire losses is to be realized.

"We need more research and development into fire and fire-related problems; we need improved professional training and education, with increased emphasis on preventing fires and on reducing injuries to fire-fighters, who are engaged in the nation's most hazardous profession; we need a national system for the collection, analysis, and dissemination of fire data to help local fire services establish research and action priorities, and we have to focus on fire safety for buildings and products, fire and building codes, and on improved public education to prevent the many careless acts that ignite into tragedy."

Dent said the NFPCA will be responsible for many programs relating to these problems. The agency, he added, "represents a major forward step in making the United States more fire safe, and in protecting our citizens from unecessary death, injury and damage to their property."

New act provides umbrella

Dr. Betsy Ancker-Johnson, Assistant Secretary of Commerce for Science and Technology, said that the existing fire-research programs of the NBS and the National Science Foundation (NSF) would "come under the umbrella" of the new act. She added, however, that the NFPCA will carry out "an important thrust toward near-term results" in the research area.

Dr. Ancker-Johnson, who was the chief spokesman for the Administration during Congressional hearings on the legislation, said that the NSF program of grants for fire research at universities and non-profit organizations will not be diminished by its transfer to this new unit. "And the NBS program of basic and applied research to understand the fundamental processes of destructive fire will be given new life by the Act. Finally, the Technology Development Program called for by the Act will build on the present NBS Fire Services Technology Program to produce an expanded effort in development, testing and evaluation of equipment and devices ranging from fire-fighters' turnout coats to smoke-detectors."

The new law is largely an outgrowth of a 1973 study report, entitled "America Burning," by the National Commission on Fire Prevention and Control.

In addition to creating the new agency, the law:

- Provides for a National Academy for Fire Prevention and Control to advance professional development of fire service personnel.
- Requires the administrator of the new agency to develop a National Fire Data Center, which would be a nerve center for a nationwide, computerized system to collect, analyze and disseminate information on prevention, occurrence, control, and results of all types of fires.
- Requires the administrator to develop, test, and evaluate fire equipment, including such specific items as clothing, breathing apparatus, fire detectors, and in-place fire prevention systems.
- Establishes within the Department of Commerce a Fire Research Center to perform and support research on all aspects of fire.
- Authorizes the new agency to undertake programs to educate the public and to overcome public indifference concerning fire and fire prevention. A special target of these educational efforts will be the fires, such as building fires, in which human action or carelessness is a prime factor.

NOAA Inspectors Certify Fisheries Product Imports

Boston Bonnie, Inc., one of the country's largest importers of fisheries products, is the first to use the Import Inspection Service offered by Commerce's National Oceanic and Atmospheric Administration.

The service provided to the Boston-based firm includes technical assistance in developing purchasing, processing, and end-product specifications; determining compliance with the importers' requirements; and pretesting and analyzing the imported seafoods for wholesomeness, quality and condition. Assistance is also provided in product labeling, sanitation, and other problems which may arise.

The import assistance is one of several inspection services administered by NOAA's National Marine Fisheries Service. It is provided on a fee-for-service basis to anyone involved in distributing and processing fisheries products. Inspection protects the foreign shipper as well as the U.S. receiver by providing certificates of the condition of the products at the time of inspection.

Boston Bonnie, Inc., employs over 100 people and imports millions of pounds of fisheries products a year for processing and worldwide distribution.

FEA Sees Petrochemicals Situation Moderately Better

The American petrochemical industry will show a moderate growth over the next 15 months and the supply/demand balance will be better through the end of 1975, according to an in-depth report to Congress by the Federal Energy Administration.

The petrochemical industry, which represents a substantial part of the $100 billion chemical and rubber industry, is primarily dependent on raw materials provided by the natural gas and petroleum refining industries. By definition in the FEA Act of 1974, petrochemicals include organic chemicals, plastics and resins, synthetic fibers, elastomers (rubber), surface coatings, organic dyes and pigments, surface active agents, pharmaceuticals, pesticides, ammonia, carbon blacks and many other products.

The report points out that most petrochemical products were in short supply during 1972-74, because of basic factors such as:

- lack of capital investment due to overcapacity and low profitability in the late 1960's;
- uncertainty of domestic supply of raw materials due to peaking of domestic crude oil and natural gas production;
- need for capital outlays for environmental control equipment;
- imposition of price controls when profit margins were at an historic low;
- excessive reliance on inventory drawdowns;
- feedstock shortages coupled with low inventories and lack of non-petrochemical derivatives, particularly chlorine;
- increased demand for petrochemicals in the world market.

The petrochemical industry in the United States, which follows the normal business cycle by about six months, does not expect more than a moderate growth over the next 15 months, the report estimates.

While the supply/demand balance at the end of the current year and 1975 should be better, petrochemical operations could still be hampered by fuel shortages, especially natural gas, the report cautions. Natural gas is the base fuel for about 62 percent of petrochemical operations.

The FEA report also points out that meeting demand may be hampered by slow plant construction growth, since it takes three to five years to build a plant. If a demand surge occurred next year, for instance, existing plants may not be able to meet demand.

The report revealed that smaller petrochemical operators experienced more severe problems than the large firms due to several factors, including smaller inventories, less operating flexibility, higher interest rates, spot market purchases and changes in supplier credit practices.

The report, which is required under the Federal Energy Administration Act of 1974, makes these 1975 assessments in regard to the various industry segments:

Plastics and resins—Generally tight supplies;

Synthetic fibers — Supply/demand in balance;

Elastomers (rubbers) — Most grades of rubber, except chloroprene, in balance;

Surface coatings — Supply/demand in balance;

Organic dyes and pigments—Production estimate impossible due to the multiple product line;

Surfactants—Supply/demand in balance;

Pharmaceuticals—Supply/demand in balance;

Pesticides—Insufficient supply which will make growers rely on less desirable pesticides in 1975;

Ammonia—Supplies barely adequate for demand; exports will decline due to domestic needs;

Carbon black — More than adequate supply, even with increased exports.

Proposed Rules Would Limit U.S. Shrimpers Off Brazil

The Commerce Department's National Oceanic and Atmospheric Administration is inviting comments regarding proposed regulations limiting the number of U.S. shrimp boats permitted to fish for shrimp in defined areas off the coast of Brazil.

The Offshore Shrimp Fisheries Act of 1973 implements a treaty between the United States and Brazil, and, among other things, limits the number of vessels which could fish for shrimp in the designated area.

Regulations implementing the Act were published by the National Marine Fisheries Service in the Federal Register on July 26, together with a statement that additional regulations would be proposed.

The further proposed regulations, published in the Federal Register on October 7, require vessel owners to submit estimates of the number of vessels they will have shrimping in the designated area. If the total number of vessels from all owners exceeds the maximum number allowed in the agreement area, a ratio will be established to determine the number of vessels an owner can employ in the area.

Written comments, views or objections concerning the proposed regulations may be made to the Director, National Marine Fisheries Service, NOAA, U.S. Department of Commerce, Washington, D.C. 20235.

Direct Access

For the first time, businessmen and other interested persons can walk into the McGraw-Hill Bookstore in downtown Manhattan and search through the 400,000 research reports in the collection of the National Technical Information Service—the most massive treasury of current technological and business information in the world.

A computer terminal located in the store enables patrons to tap directly into the mainstream of U.S. Government research materials.

If their search produces promising leads, the Bookstore's display terminal can show abstracts on the spot. And if the abstracts point to real answers, customers can order the complete reports at once. The store is located in the lower plaza area in front of the new McGraw-Hill Building, 1221 Avenue of the Americas, between 48th and 49th.

The NTIS research data base covers an immense range of subjects of possible to U.S. businessmen, from administration, aerospace, agriculture and Africa to urban technology, USSR political and sociological affairs, water pollution and zoology.

Housing Demolitions In U.S. Held Earlier Levels In 1973

Demolition of housing units, as indicated by permits issued in some 4,300 permit-issuing places throughout the United States, was authorized at about the same rate in 1973 as the year before, according to Commerce's Bureau of the Census.

A report just issued by the Bureau shows that permits were issued for the demolition of some 148,000 housing units in 102,000 buildings during 1973. In 1972 the figures for 4,200 such places were 142,000 units in 98,000 buildings. Permits issued are considered good indicators of the number of units and structures actually demolished.

The report shows that, as in 1972, New York City led the permit issuing places in 1973 with 9,600 units authorized for demolition and that Detroit and Chicago followed with 7,400 and 7,100 respectively.

The figures do not include losses from housing inventory due to abandonment, conversion to nonhousekeeping and nonresidential use, and natural disasters. Demolition permits are not as well reported as those for new construction.

Copies of the report, "Housing Units Authorized for Demolition in Permit-Issuing Places: 1973",: Series C45-1973, are available for $1.25 each from the Subscriber Services Sec., Social and Economic Statistics Admin., Washington, D.C. 20233, or from Commerce district offices.

SEVEN WONDERS—*An unofficial survey conducted by the United States Travel Service among Americans from all walks of life chose seven top natural wonders of the U.S. Winners were, clockwise from above, the Grand Canyon, Yellowstone National Park, Niagara Falls, Mt. McKinley, California's big trees, Hawaii's volcanoes and the Florida Everglades.*

Seven U.S. Natural Wonders Selected In Tourism Poll

Arizona's Grand Canyon tops the list of "Seven Natural Wonders of the USA," selected in a nationwide poll conducted by Commerce's United States Travel Service.

USTS, which serves as the national tourism office, has just completed an unofficial survey to determine the United States' most outstanding natural attractions of interest to tourists.

In addition to the Grand Canyon, the "wonders," in order of voting preference, are: Yellowstone National Park, Wyoming; Niagara Falls, New York; Mt. McKinley, Alaska; California's big trees (the Sequoias and Redwoods); volcanoes of Hawaii; and the Florida Everglades.

Other natural wonders receiving strong support in the poll include Carlsbad Caverns, Yosemite National Park, the Grand Tetons, Crater Lake, the Great Lakes, Glacier Bay, Mammoth Cave and the Mississippi River.

Ballots in the unofficial survey were cast by people from every area of the nation and from a broad range of business and commercial enterprises as well as from the educational field. More than 60 "wonders" were nominated by people casting nearly 1,000 votes.

Ballots came from members of the U.S. travel industry, newspaper travel editors, senior citizens and even from elementary school classes where students took their own "polls."

Survey results will be used by USTS in its efforts to promote international travel to this country. They will serve as the basis for feature articles and for familiarization tours for travel writers from the six countries where USTS has regional travel-promotion offices: Canada, Mexico, Japan, the United Kingdom, Germany and France.

Earlier this year, USTS conducted a similar poll to determine the "Seven Man-made Wonders of the USA." The selections in that poll were: Golden Gate Bridge, San Francisco; Mount Rushmore National Memorial, South Dakota; Astrodome, Houston; Statue of Liberty, New York; Hoover Dam, Arizona-Nevada; Walt Disney World, Florida; and Gateway Arch, St. Louis.

New Communications Net Seen Needed By Inland Waterways

A proposal for an extensive and integrated inland waterways communications system to replace the present system has been presented to the U.S. inland waterways industry.

The proposal results from a study made by the ARINC Research Corp. of Annapolis, Maryland. The study was jointly funded by the inland waterways and Commerce's Maritime Administration. The industry contributed $15,000 to the project, the Maritime Administration $96,172.

Public phones inadequate

A voluminous report based on the study explains that the accelerated growth of the industry in recent years has generated a communications demand that cannot be met effectively by the present company-operated systems, which are based on the used of public phone booths along the shore to networks of radios, shore stations, and phone lines. The report comments that some parts of the waterways are not covered by any type of reliable communications, that long-range radio channels are unreliable and subject to interference and propagation problems, and that service is degraded by overcrowding of the channels and undisciplined channel usage.

Recalling that 500 million tons of cargo was moved by barge and towboat on the inland waterways in 1971, the report says this represented more than 15 percent of the nation's total transportation business. It adds that the harmful effect of the present patchwork communications system was of particular concern in view of the estimated 60 to 80 percent increase in the number of vessels operating on the inland waterways by 1983.

Proposals offered

To deal with the communications problem, the report identifies the following major requirements for a total communications system: complete coverage of the inland waterways; maximum use of existing vessel equipment; automatic, unattended operation 24 hours a day; direct dial capability both at the operator's office and aboard the vessel; capability of the system to expand to accommodate growth, new users, and office-to-office communication; and operator monitoring of Channel 16, the national distress, safety, and calling frequency.

The system chosen to provide these requirements is VHF-FM radio contact between the vessel and a short station and transmission of messages by way of leased telephone lines through 13 regional centers located in key cities along the waterways. The key cities are St. Louis, Cairo, Chicago, New Orleans, Baton Rouge, Greenville, Houston, Mobile, Minneapolis-St. Paul, Lousville, Ashland, Ky., Pittsburgh and Nashville.

Study Details Six Marine Pollutants By Man, Industry

Detailed data regarding the potential effects of six man-generated substances on the marine environment are now available from Commerce's National Oceanic and Atmospheric Administration. The data are drawn from a study conducted by the Ocean Affairs Board of the National Research Council, which began in May 1973 with the identification of six substance types for study.

The substances were chosen because of their persistence and abundance in the environment. They include nuclear wastes, synthetic organic chemicals, marine litter, metallic processing wastes from industrial operations, organic sludges, and medical and agricultural pharmaceuticals.

Information on each substance's basic chemical and physical properties, U.S. and foreign production, major uses, environmental leakages, routes through the environment, and potential effects on the environment were collected by ten NRC research associates during the summer of 1973.

The collection of information, consisting of papers from scientific journals, tables, data, status reports from industry and government agencies, formal and informal reports, and referenced personal communications, has been indexed and is available through the Environmental Science Information Center, Marine and Earth Sciences Library (Fisheries Branch), 3300 Whitehaven St., NW., Washington, D.C. 20235.

Calendar For Businessmen

Nov. 13 — Cleveland — Economic Data Users Conference. Hollenden House Hotel. For information, 216-522-4752.

Nov. 17-19—Carmel, Calif.—Update On Impactless Printing, IGC Conference Center. For information, Institute for Graphic Communication, 375 Commonwealth Ave., Boston, Mass. 02115. (617-267-9425.)

Nov. 17-19—Ipswich, Mass.—The Rebirth Of Computer Output Microfilm, IGC Conference Center. For information, Institute for Graphic Communications, 375 Commonwealth Ave., Boston, Mass. 02115. (617-267-9425.)

Nov. 17-21 — Mayaguez, P.R. — Fourth Food-Drug From The Sea Conference, Univ. of Puerto Rico. Sponsor: Marine Technology Society. For information: MTS, 1730 M Street NW., Suite 412, Washington, D.C. 20036. (202-659-3251.)

Nov. 18-19 — New York — The First National Engineered Plastics Conference, Roosevelt Hotel. Sponsor: New York University. For information, Ms. Heidi Kaplan, New York Management Center, 360 Lexington Ave., New York, N.Y. 10017. (212-953-7262.)

Nov. 18-19—Washington, D.C.—Energy Management: Federal Plans and Guidelines for Private Industry, Marriott Twin Bridges Motor Hotel. Sponsor: American Management Assn.

Nov. 20—New York—International convocation on The Energy Outlook and Global Interdependence, New York Hilton. For details, call 212-765-7550.

Nov. 20-22—Washington, D.C.—Airline Maintenance. Engineering and Reliability Seminar/Workshop, Quality Inn-Pentagon City. For information. Aero Data Inc., 175 Jericho Turnpike, Syosset, N.Y. 11791. (516-364-0489.)

Nov. 21—New York—Energy update and outlook, Waldorf-Astoria. 9:15 a.m. Sponsor: The Conference Board, 845 Third Ave., N.Y. 10022 (212-759-0900).

Nov. 21-22 — Phoenix — Regional Operations & Automation Workshop, Marriott's Camelback Inn. Sponsor: The American Bankers Assn. For information, ABA, 1120 Connecticut Ave. NW., Washington, D.C. 20036. (202-567-4332.)

Nov. 24-26—Washington, D.C.—Council for Urban Economic Development annual meeting, Statler-Hilton Hotel. For information, Shirley Straker, CUED (202-293-6911.) Speaker: William W. Blunt, Jr., Ass't Secretary of Commerce for Economic Development.

Dec. 3-5—Chicago—Lasers in Manufacturing conference, Sheraton-Chicago. For information, Society of Manufacturing Engineers, 20501 Ford Road, Dearborn, Mich. 48128. (313-271-1500.)

Dec. 5—New York—13th annual Apparel Outlook Seminar, Americana Hotel. Sponsor: American Apparel Manufacturers Assn., 1611 North Kent St., Arlington, Va. (703-524-1864).

Worldwide Resources Projects May Bring $15 Billion Business To U.S. Firms, Eximbank Says

Eximbank is involved in projects to develop natural resources around the world that could require up to $15 billion of U.S. equipment and technology, the bank's President told a recent Washington conference on opportunities abroad in the minerals field.

"Some of these projects will not mature, and Eximbank will be doing very well if it is able to provide one-third of the financing it will take to swing those which do," William J. Casey asserted to mining executives, contractors, suppliers and bankers. "With domestic capital under such pressure as it is now, it will be up to our private investment machinery to go out and develop as much of the necessary financing as possible from offshore sources."

"The place to look for the funds is wherever high oil or mineral prices are funneling them," he continued. "We must try to bring these funds to the countries which need our nuclear reactors, our mining, agricultural, transportation and processing equipment, taking proper precautions, of course, to see that the projects being financed are creditworthy on a repay-as-you-earn basis."

The Eximbank leader said he believes his institution can contribute by expanding its traditional role and inducing the governments and enterprises of oil-producing countries to back projects in third countries that would pay for themselves and show a profit on equity and loan investments at close to commercial terms.

The Washington meeting, hosted by the bank, brought together executives of such companies as Marcona, Bechtel, Fluor, St. Joe Minerals, Bucyrus-Erie, and LKB Resources, to share the podium with speakers from the Commerce, Interior and State Departments and other federal agencies.

Speaking for the Commerce Department, Tilton H. Dobbin, Assistant Secretary for Domestic and International Business, said that U.S. businessmen should expect an "indirect involvement" from the federal government, mainly in informational channels and in helping to create a climate that would encourage minerals development abroad.

"Under our economic system, and given a basically open international economy for which we continue to strive, we believe that investment decisions, especially at the individual project level, must ultimately be taken by the individual operator on the basis of economic considerations," he explained.

"It remains to be seen how well governments that have taken direct control of mineral-producing enterprises succeed in wearing the entrepreneur's hat in the world market: we would hope that such enterprises will see that it is in their long-term economic interest to maintain an open, competitive international market and to respond accordingly."

Casey said that the Eximbank board needs long-range perspectives on financing resource projects; to determine, for example, whether it is economically justifiable to mine deeper into the earth or under the seas, or to shift priorities into the development of substitute products or processes. He mentioned the use of common clays and shales instead of bauxite in making aluminum, or upgrading the low-grade manganese and tungsten ores now found in the U.S.

"An extra risk in long-term, big-project financing today is the possibility that research will turn up something better than the financed product, or some less costly production method. . . . Eximbank does not want to find itself involved in financing obsolescence."

Casey also said that Eximbank is now facing decisions on credit for mining projects that would produce added quantities of scarce materials for the U.S. market. The traditional Exim assignment is to support U.S. exports, without regard for any accompanying import benefits. But today, Casey commented, in a time of resource scarcities, projects that would serve domestic needs have an added appeal.

FOR GLOBAL MINERALS DEVELOPMENT—*More than 100 representatives of U.S. mining companies, mining equipment suppliers, contractors and commercial banks explored opportunities abroad with U.S. government officials last month at an Eximbank-hosted conference.*

Washington's Official Trade Briefs

This article is another in a series of reports that describe actions affecting world trade, as compiled by the Legislative and Tariff Policy Division of the International Economic Policy and Research Staff's Office of International Trade Policy.

THE PRESIDENT

Presidential Message: The President transmitted to the Congress the 1973 annual report on agricultural export activities carried out under Public Law 480 (Food for Peace). The report was referred to the Senate Committee on Agriculture and Forestry and the House Agriculture Committee and ordered printed (H. Doc. 93-362).

Bills Signed: The President signed a bill extending the life of the Export-Import 1945 Bank Act from Oct. 15 to Nov. 30.

The President signed into law H.R. 2840 (P.L. 93-479), authorizing the Secretary of Commerce to conduct a study of foreign direct and portfolio investment in the U.S.

The President signed S. 3792, which extends the Export Administration Act of 1969 for two years until Sept. 30, 1976, and amends it to liberalize the criteria by which the President may implement export controls, to authorize the use of export controls to secure the removal by foreign nations of restrictions on access to goods in short supply, and to establish a systematic export monitoring system.

On Oct. 26 the President signed into law the following tariff bills: H.R. 11251 (P.L. 93-482), to amend the Tariff Schedules of the United States to provide for the duty-free entry of methanol imported for use as a fuel; H.R. 11452 (P.L. 93-480), to correct an anomaly in the rate of duty applicable to crude feathers and down; H.R. 11830 (P.L. 93-470), to suspend the duty on synthetic rutile until June 30, 1977; H.R. 12035 (P.L. 93-483), to suspend the duty on certain cellulose salts used in making permanent press clothing materials until June 30, 1975; H.R. 13631 (P.L. 93-484), to suspend the duty on horses other than for immediate slaughter until June 30, 1976; H.R. 6642 (P.L. 93-490), to suspend the duties on certain bicycle parts and accessories until Dec. 31, 1976; H.R. 12281 (P.L. 93-497), to extend existing duty suspensions on certain forms of copper until June 30, 1975; and H.R. 7780 (P.L. 93-499), to extend the duty suspensions on certain spun silk yarns through Nov. 7, 1975.

Counseling Offered

Commerce and State Department trade specialists from Washington and posts abroad will offer counseling to businessmen at the National Foreign Trade Convention in New York Nov. 18-19. For appointments call Gilbert Hachadoorian of the Commerce New York District Office on 212-264-0623.

THE CONGRESS

Committee Hearings—Senate: The Committee on Finance continued consideration of H.R. 10710—the Trade Reform Act of 1973. Prospects for enactment improved recently with the announcement of a compromise on the Jackson-Vanik Amendment concerning Most-Favored-Nation treatment for the Soviet Union in exchange for liberalized emigration from the USSR (Title IV).

The Permanent Subcommittee on Investigations of the Committee on Government Operations has been conducting hearings on several issues, including the circumstances that resulted in termination of contracts for sale of corn and wheat to the Soviet Union, the effect of increasing oil prices on the world economic situation, and alleged shortages of raw materials and related products needed for production in the petrochemical and iron and steel industries.

The Committee on Commerce has been conducting hearings on S. 4051, to establish a program to attain better utilization of materials and products, thus alleviating shortages. Dr. Betsy Ancker-Johnson, Assistant Secretary of Commerce for Science and Technology, testified.

The Subcommittee on Foreign Commerce and Tourism of the Committee on Commerce began executive consideration of S. 3955, to establish a Foreign Investment Review Administration to continually monitor foreign investment in the United States.

Bills Passed: The Senate passed H.R. 15977, to extend for four years the life of the Export-Import Bank and to provide increases in its overall commitment authority. Eleven amendments were attached to the bill. Senate and House conferees have agreed to meet to resolve differences between Senate and House passed versions.

The Senate passed H.R. 6191, as amended in conference, to suspend the duties on zinc-bearing ores and certain other zinc-bearing materials until June 30, 1977. The measure has already passed the House and is awaiting Presidential action.

The House passed H.R. 8193, the Energy Transportation Security Act of 1974 (oil cargo preference), as amended in conference. The measure awaits Senate action.

Bills Reported: The Senate Committee on Finance, in executive session, ordered favorably reported H.R. 13370, suspending until July 1976 the duty on catalysts of platinum and carbon used in producing caprolactum.

The Senate Foreign Relations Committee ordered unfavorably reported S. 1988, to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry. The bill also is being considered by the Senate Armed Services Committee.

The House Committee on Foreign Affairs ordered favorably reported H.R. 17324, to amend the Foreign Assistance Act of 1961.

New Legislation: Since the opening of the 93rd Congress, 693 trade and related bills have been introduced. Proposed legislation not previously reported in this column includes: S. 4051, to establish a research and development program within the Department of Commerce for alleviating shortages of products and materials in interstate commerce; S. 4086, to amend the Export-Import Bank Act of 1945 to authorize aid to certain U.S. air carriers; S. 4140, to establish a task force on petro-dollars;

H.R. 16804, to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for quality and wholesomeness and that the dairy farms or plants in which such products are produced meet certain minimum standards of sanitation; H.R. 16848, to establish a National Foreign Investment Control Commission to prohibit or restrict by various means foreign ownership or management control of certain domestic corporations, industries, real estate or other natural resources deemed to be vital to the economic security and national defense of the United States; H.R. 16874, to authorize the establishment and maintenance of a Federal food reserve of certain agricultural commodities to provide an adequate food supply for both domestic and foreign consumption;

H.R. 16922, to provide for the duty-free entry of softwood barrels made in Canada for use in processing or shipping salmon; H.R. 16932, to establish a Foreign Investment Regulatory Commission to monitor and regulate certain foreign investments in the United States and activities having significant impact on the integrity and independence of the economy of the United States; H.R. 17048, to protect the domestic fishing industry by granting to it the same protections granted to the coastwise trade; H.R. 17070, to amend the Tariff Schedules of the United States in order to permit, under certain conditions, the importation of alcoholic beverages by returning residents aged 18-20; H.R. 17071, to suspend the duties on calcined petroleum coke not commercially suitable for use as a fuel until June 30, 1977; H.R. 17073, to provide duty-free entry of potassium fluotantalate and synthetic tantalite/columbite concentrate; H.R. 17110, to establish a National Foreign Investment Control Commission;

H.R. 17140, to establish within the Department of Commerce a Foreign Investment Review Administration to conduct a continuing review and analysis of foreign investment in the United States, to require reports and information from foreign investors in the United States, and to publish reports with respect to such investment; H.R. 17165, to suspend the duty on railroad rolling stock exported for repairs or alteration by June 30, 1975; H.R. 17235, to require that imported dairy products be marked as to country of origin; H.R. 17270, to authorize the Secretary of State to collect, analyze, and disseminate information relating to foreign investment in the United States and to require reports and information from foreign investors in the United States.

TARIFF COMMISSION

Report: The Commission has submitted to the President a draft of the Tariff Schedules of the United States into the format of the Brussels Tariff Nomenclature. Because of the voluminous nature of the Commission's Report, the printing of copies for distribution and sale will take considerable time, probably several months.

Adjustment Assistance—Workers: The Commission reported to the President that the following groups of workers and former workers meet the requirements of the Trade Expansion Act of 1962 (TEA) and are eligible to apply to the Department of Labor for adjustment assistance: workers and former workers of the Tell City, Ind., plant of the General Electric Co. **(electronic receiving tubes and mounts);** workers and former workers of the John Swenson Granite Co., Inc., Concord, N.H. **(manufactured granite);** workers and former workers of the Williams Manufacturing Co. at its plants in Portsmouth, Ohio, and Stanton, West Liberty, and Beattyville, Ky. **(footwear for women, misses, and children);** former workers of the Amesbury, Mass., plant of the Louis Shoe Co. Inc. **(women's footwear).**

The Commission reported to the President that the following groups of workers were ineligble to apply for adjustment assistance: former workers of Lessing Footwear, Inc., Norwalk, Conn. **(women's footwear);** and workers of the Chamberlain Manufacturing Corp., Elmhurst, Ill. **(radio remote control garage door openers).**

Adjustment Assistance—Firms: The Commission reported to the President that Gettysburg Shoe Co., Gettysburg, Pa., a wholly owned subsidiary of Dero Industries, Inc., New York **(footwear for women and misses)** is ineligible to apply for assistance.

Investigations—Workers: On the basis of petitions filed under provisions of the TEA, the Commission has opened eight new investigations on the effects of imports on behalf of workers and former workers of: Electro Motive Corp., Florence, S.C., a wholly owned subsidiary of International Electronics Corp., Milville, N.Y. **(film and mica capacitors);** Weiss-Lawrence, Inc., Dover, N.H. **(footwear for women, misses and children);** Cara Mia Shoe Corp. and its wholly owned subsidiary, Bobi Wood Heel Corp., Hialeah, Fla. **(footwear for women, misses, children; wood heels for footwear);**

Gettysburg, Pittsburgh, and East Berlin, Pa. plants of Gettysburg Shoe Co., a wholly owned subsidiary of Dero Industries, Inc., New York **(footwear for women);** Harrison, N.J., plant of the RCA Corp., New York **(electronic receiving tubes and components thereof);** Bowmar ALI, Inc., Acton, Mass., a wholly owned subsidiary of Bowmar Instrument Corp., Fort Wayne, Ind. **(electronic calculators);** Patio Shoes, Inc., South Norwalk, Conn. **(footwear for women);** and Tifton, Ga. plant of the Blue Ridge Shoe Co., Wilkesboro, N.C., a wholly owned subsidiary of Melville Shoe Corp., Harrison, N.Y. **(footwear for men and boys, and for misses, children, infants).**

Section 337 (Unfair Import Competition) cases: The Commission recently initiated two preliminary inquiries based on complaints by firms alleging unfair methods of competition and unfair acts in the importation of several products. The firms filing complaints were AMF Inc., of White Plains, N.Y. **(certain components of automatic tobacco leaf graders)** and Scheu Products Co. of Upland, Calif. **(liquid propane heaters).**

On the basis of submissions and other evidence, the Commission has dismissed complaints and terminated its investigations without a finding on the following cases: **preset variable resistance controls,** complaint by CTS Corp. of Elkhart, Ind.; **certain wheel balancing weights,** complaint by Gottwald Industries, Inc. of Akron, Ohio; **analog-to-digital meters,** case no. 337-L-64; and **antenna rotator systems,** case no. 337-L-70.

The Commission has extended from Sept. 27 to Nov. 27 the date for submission of information by interested persons which is pertinent to the preliminary inquiry on **certain ultra-microtome freezing attachments,** case no. 337-L-74.

Dumping Cases: The Commission notified the Secretary of the Treasury that an industry in the United States is not being, or is not likely to be, injured by reason of imports from Japan of **wrenches, pliers, screwdrivers, and metal-cutting snips and shears** sold at less-than-fair value (LTFV). These products will not be subject to special dumping duties.

The Commission notified the Secretary of the Treasury that, if the finding of dumping made on Jan. 17, 1973 were revoked, an industry in the United States would not, or would not likely, be injured by reason of the importation of **prime-grade and off-grade northern bleached hardwood kraft pulp** from Canada, sold at LTFV within the meaning of the Antidumping Act of 1921, as amended.

OTHER AGENCIES

Treasury—Dumping Cases: After receiving the above Tariff Commission report on **northern bleached hardwood kraft pulp,** the Treasury Department revoked the dumping duty on the product.

The Assistant Secretary of the Treasury determined that **45 r.p.m. flat spindle adapters** from the United Kingdom are not being, nor are likely to be, sold at LTFV within the meaning of the Antidumping Act of 1921, as amended.

Labor—Adjustment Assistance: Approximately 100 employees of Sbicca of California, Inc., South El Monte, Calif., **(footwear for women)** have been certified by the Labor Department as eligible to apply for trade adjustment assistance.

Kentucky's 25th World Trade Conference Set For Nov. 20

Western Europe-United States economic relations will be the focus of the 25th Kentucky World Trade Conference, to be held in Louisville Nov. 20.

The conference, co-sponsored by the Foreign Trade Club of the University of Louisville's International Center and the U.S. Department of Commerce, has the cooperation of the Kentucky Department of Commerce, the Kentucky Chamber of Commerce, and the Louisville Chamber.

U.S. corporation executives, embassy officials from four European countries, and U.S. Government representatives will participate. Among the speakers will be Charles J. Barrett of the Commerce Department's Bureau of International Commerce. Participant Frank B. Hower, Jr., President of the International Center, is a Vice Chairman of the District Export Council in Kentucky.

For registration information, contact George Brodschi, Conference Coordinator, International Center, University of Louisville, Louisville, Ky. 40208.

U.S. Companies May Exhibit At Barcelona Fair In June

U.S. companies may wish to exhibit their products in the 43rd annual Barcelona International Fair, to be held June 3-15, 1975. Next year's event will feature the following product categories: furniture, lamps and similar apparatus; machine tools, rubber and plastics working machinery, welding equipment; construction equipment; industrial electronics, pneumatics, mechanical components, petroleum and hydraulic equipment; office equipment and supplies, data processing.

Interested U.S. companies should contact Jose Riba Ortinez, President, Feria Internacional de Barcelona, Avenida Maria Cristina, s/n, Barcelona 4, Spain.

Japan, Growing Producer Of Fluid Power Items, Still Likes U.S. Products

Japan, which has moved up rapidly into the No. 2 position in world production of hydraulic equipment, still shows a keen interest in such equipment produced by the leader, the U.S. This was confirmed at a recent exhibition at the Tokyo U.S. Trade Center.

The 35 U.S. firms that took part in the six-day Advanced Fluid Power Equipment Exhibition found that the following products received the most attention from the nearly 2,000 visitors: valve fittings, pumps (vacuum, liquid, diaphragm, rotary, piston), high pressure hoses, programmers, air motors, oilless compressors, oil removing filters, ecology cylinders, filters, (fuel, hydraulics), gauges (direct reading, pressure), air data calibrators, solenoid items, a.c./d.c. power units, and fail-safe brakes.

Some exhibitors discerned a greater interest on the part of visitors than had been apparent at the last show of this kind (1970), and thought the quality of visitors this time was particularly good.

Japan produces most of its own requirements for hydraulic equipment and components. The industry, relatively new, is based largely on technological know-how introduced from the United States, United Kingdom, West Germany, and other European countries during the last two decades. Some 100 foreign licenses have been introduced into Japan in this area, of which licenses from the United States represent about 40 percent, followed by the United Kingdom and West Germany with 20 percent each.

According to some estimates, Japanese imports of hydraulic equipment, now about 3 percent of total demand, may reach 9 or 10 percent—$67 to $75 million—by 1977. The United States supplies about 80 percent of Japan's imports of such equipment.

Japanese users in general acknowledge the technological superiority of U.S. hydraulic equipment, the development of which has benefited not only from large direct R&D investments by U.S. manufacturers but also from the spin-off from R&D supported by U.S. military and aerospace programs. R&D investment by Japanese manufacturers is only 1.5 percent of their total sales as compared with 10 percent in the United States. Given this large disparity, it is expected that the U.S. industry will maintain its technological lead over Japan for at least several years. Japanese application of hydraulic process-control equipment and components in particular is substantially behind that of the United States. Japan will provide a growing market for new applications in pollution control; oceanographic development; new transportation systems; automated warehouse systems; and aerospace, housing, and leisure-time industries.

As reported in the Oct. 14 issue of *Commerce Today*, floor sales during the show totaled $138,200, and the exhibitors project 12-month sales at some $5 million. Of this amount, $1.4 million is reported from new-to-market firms.

IN OPERATION—*Stanley Works International's Japanese agent demonstrates a pneumatic compactor at Advanced Fluid Power Equipment Exhibition in Tokyo U.S. Trade Center.*

U.S. Exhibition Results In Brief

The following summary reports have been received on U.S. overseas commercial exhibitions. Further details and marketing data derived from these exhibitions will be published as available.

Offshore International Exhibition, Olympia, London, Oct. 7-11. Exhibitors, 47. Floor sales, $3,001,600; 12-month projection $70.9 million, of which $34.9 million is estimated by new-to-market firms. Agents/distributors appointed, 22 by nine exhibitors. Agreements under negotiation, 43. Third country and regional markets reportedly also penetrated by five exhibitors as result of exhibition: France, West Germany, Netherlands, Italy, Norway, Poland, Sweden, Middle East, South Africa, Japan, and Singapore.

Biomedical Equipment Exhibition, U.S. Trade Center, Paris, Oct. 8-11. In tandem with similar exhibition, U.S. Trade Center, Frankfurt, Sept. 30-Oct. 3 (see *Commerce Today*, Oct. 28, p. 29 for summary). U.S. manufacturers had opportunity to participate in identical exhibitions in two major markets within 2-week period. Twenty-two of the 31 exhibitors in Paris, representing 36 firms, came directly from Frankfurt show. Floor sales, $353,000; 12-month projection, $6.3 million, of which $4.4 million is attributed to companies new to export or market. Representatives appointed, 10; agreements under negotiation, 30.

Pharmaceutical and Cosmetic Manufacturing Equipment and Materials Show, U.S. Trade Center, Milan, Oct. 8-12. Exhibitors, 25, representing 27 companies. Floor sales, $312,000; 12-month projection, $7.5 million, of which new-to-export or -market firms accounted for $5.7 million. Representatives appointed, 6; under negotiation, 22, plus 3 licensee agreements, 4 joint ventures.

Automechanika '74 (automotive diagnostic and repair equipment), an off-site show for the **U.S. Trade Center, Frankfurt, Oct. 18-22.** U.S. exhibitors, 34, representing 80 companies. Floor sales, $387,400; 12-month projection, $22.4 million, including $16.6 million estimated by new-to-market or-export firms. Representatives appointed, 9; agreements under negotiation, 132.

PROJEKT 2000, International Trade Fair for Environmental Protection Equipment, Graz, Austria, Oct. 23-26. U.S. exhibitors, 19, representing 21 firms. Floor sales, $111,000; 12-month projection, $1.2 million, of which $808,000 is estimated by new-to-market or -export firms. Representatives appointed, 1; under negotiation, 88, plus 22 licensing agreements, 4 joint venture.

U.S. Exhibitors Invited To Brno Food Fair Next February

U.S. firms have been invited by the Czechoslovak Government to participate in SALIMA 1975, an international food salon, to be held in Brno, Feb. 21-28, 1975. The event, which will feature exhibitors of foodstuffs and food processing and packaging equipment, is now in its second year, following the first SALIMA salon in 1974.

For further information, write: Miroslav Hudecek, Director, Brno Trade Fairs and Exhibitions, 60200 Brno, Czechoslovakia.

Worldwide Business Outlook

World Slump Hits Canada But Trade Remains Strong

The surging Canadian economy of the last quarter of 1973 and the first quarter of 1974 has turned sluggish and is exhibiting several of the characteristics of other industrialized countries: static real growth in GNP, high inflation rates, lower industrial production, and higher unemployment. Growth in terms of current prices has slowed to the rate of general price increases, and some economic analysts have begun using the term "stagflation" to describe the economy.

No one is predicting a recession for the rest of 1974 and early 1975, but forecasters are revising downward their estimates for real GNP growth for 1974 and 1975 to less than 5 percent. These predictions are in sharp contrast to the real growth of 12 percent in the last quarter of 1973 and 7.1 percent for that entire year.

Two-way trade nears $40 billion

That's the current situation with regard to the Canadian economy, as seen by the U.S. Embassy in Ottawa. In the area of trade, the Embassy notes in this report to the Department of Commerce that two-way trade between Canada and the United States might reach $40 billion in 1974. Canadian exports to the United States are running about 22 percent in value above last year, primarily because of the increased price of oil, including the export charge. Imports from the United States are up an astonishing 28 percent. Although much of the growth can be attributed to higher prices, some volume increases have occurred. Consumer spending in Canada has remained strong, at least until now, as have fixed capital expenditures. Despite some slackening of the Canadian economy, numerous opportunities remain for U.S. businessmen in the Canadian market. Increased costs and delivery times for Canadian-produced goods—particularly as these factors affect markets, such as British Columbia, remote from the more industrialized eastern half of Canada—have prompted searches for new sources of supply, which often lead to the United States.

Defeat of the budget in May resulted in the dissolution of Parliament and general elections in July, when the Liberal Party won a solid majority in the House of Commons. Inflation was the major issue of the campaign, and by opting for a Liberal majority, the Canadian electorate rejected the Progressive Conservative Party's proposal to institute wage and price controls. During the summer, Prime Minister Trudeau resisted pressure to call the House into early session, i.e., before Sept. 30 to deal with economic problems, especially strikes, or to call a national economic "summit" patterned after that in the United States.

High food prices are pacing the rise in the consumer price index, but almost all segments of the economy are being affected by high inflation rates. The August level of the food component of the CPI was 14.3 percent higher than one year earlier; higher housing prices, record mortgage interest rates and increased repair costs pushed the housing index up 9.4 percent above the previous August; and the transportation index in August was 10.5 percent higher than a year ago, largely due to increases in new car prices. Capacity restraints and labor shortages, which became apparent in the latter part of 1973, have exacerbated domestic inflation; despite Canada's favorable resource base, its economy can not be insulated entirely from the world-wide problem of inflation brought about by huge increases in world petroleum prices, agricultural commodity shortages, and heavy demand for industrial raw materials. Present estimates for inflation rates in 1975 range from 8 to 12 percent.

A record number of work stoppages in the first six months of 1974, especially in the construction industry, contributed to a decline in industrial production for the second quarter; contract settlements resulted in double-figure percentage wage increases. Unemployment in Canada was expected to increase in the latter part of 1974, and some pessimistic forecasters have predicted a 7 percent level of unemployment for 1975.

As chief spokesman for the government on economic matters, Finance Minister John N. Turner has rejected the term "stagflation" to describe the current and projected Canadian economy and has publicly stated several times that the economy is basically sound.

Finance Minister Turner is expected to present in mid-November essentially the same budget that was defeated in May and precipitated the general elections. He has given hints that the budget might be somewhat less expansionary and that there might be some modifications in provisions on the taxation of the mining and petroleum industries.

The first phase of the Foreign Investment Review Act pertaining to the screening of proposed foreign takeovers of large Canadian firms became operative in April. Since then, eight takeovers have been approved and none has been rejected. At least three dozen applications are currently pending. In the case of the first six takeover approvals, no detailed information was given as to how the "significant benefit" to Canada provision of the Act applied. In the case of the seventh approval, an announcement by the Department of Industry, Trade and Commerce detailed the future undertakings that had been agreed to by the firm taking over. Significant among these were plans to increase employment and launch a new export marketing effort.

Since no takeover bid has yet been disallowed—although one was allowed to lapse—there is as yet no precedent for determining a takeover judged to be not in the best interests of Canada. Investors will be monitoring the actions of the Foreign Investment Review Agency in this regard to judge how fairly the Agency deals with foreign investment from various quarters. The Minister of Industry, Trade and Commerce has stated that the second phase of the Act, pertaining to all new foreign investment, will become operative by the end of 1974.

Other legislation which could affect foreign investment is an amendment to the Export and Import Permits Act, passed in May, which gives the government "last resort" power to encourage additional processing of raw materials before their export.

Canada's agricultural imports from the United States exceeded $1 billion in 1973 for the first time, continues this Embassy report. In the first seven months of 1974, U.S. agricultural exports to Canada increased by 35 percent in value over the comparable period of 1973 (from $529 million to $715 million). Commodities for which Canadian demand was strong in these seven months were: vegetables, fresh citrus and other fruits, cotton, soybean cake and meal, oil seeds, corn, and other feed grains, sugar, tobacco and rice.

Early frosts in the prairie provinces have reduced the quality and quantity of the wheat harvest. Thus, much of the wheat customarily available for milling will go into feed grains. Although this development will relieve some of the foreign pressures on U.S. feedgrain supplies, it will also put added pressures on U.S. stocks of bread grains.

With business investment intentions remaining strong, export opportunities remain good for special industrial machinery and other types of capital equipment. The Province of Alberta has economic development plans featuring the following sectors: petrochemical, iron and steel, agricultural processing, forestry, coal and coal gasification, and secondary manufacturing based on these five resource sectors. Future U.S. export opportunities will be found in these sectors—to the extent that the Alberta Government's development plans come to fruition.

The U.S. Consulate General in Montreal reports high interest in U.S. products such

as hoists, industrial material and woodworking machinery (including equipment used in the production of prefabricated homes) for the construction and woodworking industries; bailing presses, machinery and heavy duty stapling machines for the paper and related industries; all types of wiring supplies, electric relays and electric motors for the electrical and electronic machinery industry; measuring, analyzing and controlling instruments, grain handling equipment and textile machinery.

The U.S. Consulate General in St. John's, Newfoundland, reports that the construction industry in that province is booming. The lower Churchill hydro power project, a second refinery at Come By Chance and two hotel-shopping complexes are major projects in the early planning stages.

U.S. posts in Canada have identified markets for: construction materials, dental chairs, bottles for packaging pharmaceuticals, laboratory equipment, corrugated boxes, fertilizers, chromic acid, pesticides, phosphates, ammonium nitrate, acoustical materials, fiberglass, and upholstery and drapery materials. In the case of industrial products, timely delivery has become a dominant factor in Canadian businessmen's purchasing decisions.

Increasing number of inquiries

The U.S. Consulate General in Montreal reports a growing number of inquiries about processed foodstuffs (all kinds of canned vegetables, fruits, prepared frozen foods, processed American cheeses and broken rice); for do-it-yourself type of equipment, especially homegardening equipment and electric-powered hand tools; a wide range of kitchen equipment (formerly cooking utensils manufactured in France held a competitive advantage, which appears to have turned in favor of U.S. sources), and for other household items. Leisure and recreational products are still in demand in most of the provinces, and even in Newfoundland, retail sales of all categories increased over 18 percent in the first five months of 1974. In British Columbia, fresh sources of supply in the United States are being investigated, despite high tariffs and rising prices.

U.S. financial services have found a market in Winnipeg and Toronto. The Canadian Banking Act does not permit the chartered banks to engage in leasing, and affiliates of foreign banks, the so-called "near banks", have entered that business to such an extent that Canadian bankers are requesting that the Act be amended to cover other financial institutions which engage in some forms of banking activities but which cannot call themselves banks.

In August the Canadian Government instituted a beef import quota system which could reduce U.S. market opportunities for slaughter cattle and dressed beef and veal by as much as 65 percent under last year's trade level.

Dutch Manage To Maintain Strong Economy, Demand

The Dutch economy in 1974 is one of Europe's strongest, thanks in part to the availability of Dutch natural gas. Inflation at 9.9 percent and unemployment at 3.8 percent are worrisome but less severe than in most other industrialized nations. Dutch exports and the guilder remain strong, according to the United States Embassy in The Hague.

Looking ahead to 1975, continues the Embassy in this report to the Department of Commerce, the government believes a stimulus is necessary domestically and hopes its major trading partner, Germany, will take parallel steps toward reflation. The Dutch budget for the coming year is therefore expansionary. An increased volume of foreign and domestic demand is expected to increase production in 1975 by nearly 4 percent while GNP shows a real growth of 3.5-4 percent.

In spite of some contradictory trends, the outlook for American exports to the Netherlands remains good. U.S. sales of goods and services to Holland grew at the rate of 27 percent in value terms for the first six months of 1974, or at about the same rate as total Dutch imports. As might be expected, organic chemicals, petroleum byproducts, and coal registered major gains, with consumer products such as cameras and do-it-yourself tools having very strong market appeal.

Areas of rapid growth

Overall Dutch expenditures on durable consumer goods rose by over 13 percent during the first half of 1974. Other areas of rapid growth have been avionics, electronic equipment, and telecommunication systems. Pollution control equipment and energy systems should continue to be major areas of growth for American exports to the Netherlands.

The dollar/guilder exchange has continued to fluctuate but the present rate for the dollar is only slightly lower than at the beginning of the year. Price competitiveness depends, therefore, on comparative inflation rates between the United States, the Netherlands and the Netherlands' other trading partners. All things considered, the U.S. share of total Dutch imports should remain around its 1973 level of 10.5 percent.

With Dutch capital investment expected to grow in 1975 at a real rate of approximately 6 percent, the market for U.S. industrial products should be strong in the coming year.

In general, the following product lines should be the most interesting for export promotion by American industries: offshore drilling equipment; pollution control instrumentation and equipment; energy systems; durable consumer goods; commercial and industrial security equipment; transportation equipment including automobiles, motorcycles, and mass transportation systems; machinery and raw material for chemical and metallurgical industries; hand tools and other do-it-yourself products; electronic components and production equipment; advanced health care equipment and instrumentation; and sports and recreational equipment.

The wage inflation in the Netherlands should keep demand for U.S. labor-saving equipment and systems strong. The Dutch construction industry has had a bad year with little hope for major improvement in the short term. Building materials and systems are, therefore, not the bright area they have been in recent years.

Place in the market

While the U.S. share of the Dutch motor vehicle market is still small, exports of U.S. cars should grow rapidly in the next year. Consumer goods of all sorts should have an increasingly strong place in the Dutch market. There has been increasing interest in American mass consumer sales techniques such as shopping centers and this movement should help break down traditional wholesaler-retailer relationships, making it easier for American goods to enter the marketplace.

Air, noise, water and solid waste pollution continues to be an area of major national concern and should be an excellent market for U.S. environmental control technology and equipment. Systems for recycling wastes, purifying water and filtering gases should be especially strong. Heavy procurement has been delayed by the lack of specific pollution standards, which are, however, now beginning to appear.

With the rapid increases in petroleum prices and the energy crisis, energy systems are becoming one of the best prospects for American sales in the Netherlands. Of particular interest should be energy conservation systems and new techniques of energy production.

In summary, the Embassy believes that the general picture for U.S. exports to the Netherlands for the coming year should be good to very strong depending on relative inflation rates and energy prices, and on the willingness and ability of American industry to serve the Dutch market.

Figures compiled by the Department of Commerce show new direct U.S. investment in the Netherlands to have been $385 million in 1972 and $363 million in 1973, with $553 million projected for 1974. The petroleum industry ($98 million—1972,

$72 million—1973, $116 million—1974) continues to attract the largest amounts of investment, followed by the chemical industry ($80 million—1972, $59 million—1973, $82 million—1974) and the non-electrical machinery industry.

Reinvestment of earnings continues to be the largest source of investment capital. The slowdown in investment in 1973 is most likely traceable to the precipitous decline in the exchange rate from a high of Dfl. 3.25=$1 to a low of Dfl. 2.46=$1 and the generally poor profit margins experienced by a large number of companies.

Projections of future investment in the Netherlands are clouded by the strong probability that the Selective Investment Law will be implemented. This law is designed to slow industrial growth in the densely populated western region between Rotterdam, Amsterdam and Utrecht. The law with its general administrative orders would require licenses and in some cases the payment of special taxes on new investment in these highly desirable locations. The preliminary draft of the general administrative order has reportedly been completed.

While exact statistics are not available, Dutch investment in the United States continues to grow. Contributing factors for this growth are the exchange rate which makes U.S. properties comparatively cheap, a favorable investment climate in the United States and less favorable tax rates and regulations in the Netherlands. Implementation of the Selective Investment Law may act as a further inducement for Dutch investment in the United States.

FOR DUTCH REFINERY—*This 240-ton crude oil distillation column, a key unit in a new refinery designed and constructed by the Belgian unit of Badger Co., Cambridge, Mass., is raised into position at Vlissingen, Holland.*

Take A Look At Morocco, Recommends U.S. Official

Many American businessmen are overlooking a growing market for U.S. exports and investments, believes Joseph L. Fisher, Commercial Officer at the American Consulate General in Casablanca.

Fisher observes that the Kingdom of Morocco is best known by most Americans as the tourist paradise of North Africa. This is not without justification, since tourism is second only to the export of phosphates as a foreign exchange earner for Morocco, and will continue to be a primary source of revenue as the country proceeds to implement its Second Five-Year Development Plan. Unfortunately, in the view of the U.S. official, this image has induced many businessmen to pay less attention than merited to Morocco's recent accomplishments in industrializing its economy.

Growth target was exceeded

The Government of Morocco implemented its First Five-Year Plan in 1968 with an overall investment objective of $3 billion. The target, to increase the annual average GNP by 4.3 percent, was exceeded. Substantial production increases were realized in such vital economic sectors as mining, where output was up 7.2 percent; agriculture, up 6 percent; and manufacturing, up 5.3 percent. As a consequence of these achievements, per capita GNP rose from $188 at the beginning of 1961 to $286 by the end of 1972. This 52 percent increase was accomplished in the face of a population growing at a rate of over 3 percent and the fact that, despite progress in expanding primary education, 75-80 percent of the nation's 16 million inhabitants remain illiterate.

In 1967, the last year prior to implementation of the first Plan, Morocco's imports reached $524 million. Upon conclusion of the Plan in 1972, imports had risen to $778 million, an increase of 48 percent. Over this period Morocco achieved a major improvement in the composition of its import requirements. Whereas food imports in 1967 constituted 28 percent of the total, they declined to 17 percent in 1972 (though they have since rebounded somewhat as Morocco has experienced to some extent the reduced crop yields which have affected most countries the past two years). Over the same five-year period, imports of intermediate products rose 15 percent, industrial equipment 7 percent, cotton and wood 6 percent, and consumer goods 6 percent.

The United States has for many years been Morocco's second most important supplier. In 1971, U.S. exports there exceeded $100 million for the first time and in 1973 a new high was established at the $113 million level. Yet, these figures overstate the strength of the United States' basic trade position in Morocco, which has been heavily dependent on a few commodities, principally wheat and other agricultural products, aircraft, and some heavy machinery. Moreover, while the United States has retained its relative ranking, its share of the market has, since 1968, deteriorated to the point that it now accounts for no more than 11 percent of the Moroccan market (France leads with 32 percent).

Morocco's proximity to Europe and the slowly waning but still strong residual influence of France has disadvantaged U.S. exports of industrial products. Nevertheless, a decided preference for U.S. products in certain lines and the improved price competitiveness of many U.S. goods currently provide attractive opportunities to broaden and expand U.S. exports to Morocco, Fisher reports.

The current 1973-1977 Development Plan envisions a total investment of $6.6 billion, intended to produce an average real growth rate of 7.5 percent per annum throughout the Plan period. Of this amount, the government is committed to invest $2.8 billion (one-third to be financed abroad) with the remaining $3.8 billion to come from the private and semi-private sectors. Since the Plan was not approved until mid-1973, government investment expenditures did not actually commence until recently. In consequence, the government plans to expend $600 million for capital equipment, new construction, and expansion of existing manufacturing plants in 1974. If this expenditure level is being realized, it would push Moroccan imports considerably beyond the current 1974 estimate of $1.7 billion.

Buyers show interest

Within recent months the U.S. Embassy in Rabat and the Consulate General in Casablanca have sponsored several well received trade promotion programs. A Mining Equipment Seminar, an Agribusiness Trade Mission, and a Materials Handling and Construction Equipment Catalog Show were notable successes. In addition to the Moroccan buying interest manifested in purchasing equipment related to these industries, numerous trade inquiries have been received from Moroccan businessmen to purchase textile machinery, food processing and packaging equipment, chemicals, agricultural equipment, and electric power equipment, not to the exclusion of other types of equipment and products for which inquiries have also been received.

As examples of the magnitude of investment spending for machinery, infrastructure, and plant construction or expansion,

the Plan allocates $300 million for mining equipment and expansion; $240 million for textile machinery; $230 million for a water distribution network; $136 million for two gas and two oil thermal generating plants; $136 million for expansion of the Mohammedia oil refinery; $85 million for telecommunications equipment; $55 million for locomotives and rolling stock; and $24 million for a cotton spinning factory.

Morocco's industrialization thus affords American manufacturers an active and expanding market. There is, moreover, good access to this market since 75 percent of the products imported into the country are free of quotas and do not require import licenses. In addition to the government's reasonably comfortable foreign exchange position arising from sharply increased phosphate fertilizer revenues, lines of financing credit are available locally as well as from the IBRD and the U.S. Export-Import Bank.

While the events of 1972 and the Moroccanization decision of 1973 have undoubtedly affected the level of both foreign and domestic private investments to some extent, inflows of foreign private investments have continued since the inception of the First Five-Year Plan. The flow was at the rate of $22 million in 1971 and $30 million in 1972.

Delegation was successful

In March a Moroccan delegation visited the United States in an attempt to further stimulate the flow of American investments. The delegation appears to have been generally successful in explaining the Moroccanization policy, and creating an interest on the part of American businessmen to invest in Morocco. Since the visit, several large American companies have sent representatives to Morocco to discuss investment projects.

Of the numerous investment opportunities available in Morocco, the government is particularly interested in such U.S./Moroccan joint ventures as integrated meat and dairy facilities; integrated fruit and vegetable growing, processing, and packaging; manufacture of such construction materials as prestressed concrete forms, shaped steel products, etc.; electronic component assembly; fabrication of truck and car parts; production of hosiery and knitwear; construction and management of hotels; and assembly and manufacture of consumer products for export.

Local financing for joint ventures with local businessmen or government entities, including tripartite ventures, is readily available. Also, Morocco possesses numerous entrepreneurs and a growing cadre of middle management personnel.

The overall outlook is well capsulized by an American businessman's statement during the visit of the Moroccan delegation to the United States: "I'm interested and I will come and take a look—soon."

Senegal Stresses Drought Recovery, Aims To Diversify

Although serious problems will be encountered in expanding the U.S. commercial and investment presence in Senegal, there are also significant opportunities which can be exploited by American firms willing to undertake a strong selling effort, according to the U.S. Embassy in Dakar.

Senegal continued to suffer from the severe West African drought in 1973, notes the Embassy, and its impact was felt throughout the economy. While the current situation in Senegal has improved from that of 1973 and is considerably better than that in the six other Sahelian states, any discussion of the economic future of Senegal must focus on the drought problem. The Senegalese economy is based on the peanut as the major cash crop and the leading industry in the country is the processing of that peanut crop. Thus, the impact of the drought has been severe.

The Senegalese Government has made progress in recent efforts to diversify away from dependence on a single crop. In the industrial area, expansion has been gradual although there is hope that the next four years will see an expanded industrial sector based on several large projects. Tourism, fishing, and phosphate mining have been the most important growth sectors in the economy, and they give promise of future expansion as well.

While it is clear that France is and will continue to be the dominant foreign economic influence in Senegal, the Embassy believes that there is a significant role for U.S. firms to play in trade and investment in key sectors of the economy. The Government of Senegal has announced a policy of diversification of economic relationships and President Senghor is anxious for increased private American involvement in Senegal.

American products are increasing their penetration of markets in Senegal and all of French-speaking West Africa. Promising market possibilities exist in Senegal for capital goods, heavy construction machinery, food processing equipment, hotel equipment, leisure goods, irrigation equipment, materials handling equipment, office machines, fishing equipment, refrigeration and airconditioning equipment, and selected consumer goods.

The rapid growth in U.S. exports to Senegal, from $10.2 million in 1970 to $23.8 million in 1973, gives evidence of the potential market that can be developed with quality products, competitive prices, and effective sales efforts. An example of an important sale is the purchase by *Societe Senegalaise d'Armement a la Peche*, the government-owned fishing fleet, of three American tuna purseiners at a total cost of $10.5 million. This deal was signed in early 1974 and delivery will take place next year. It represents both the largest single U.S. export deal to Senegal and the first Eximbank project in Senegal.

An expansion of U.S. exports to Senegal will depend upon the support of Eximbank and U.S. private banks. Representatives of several leading U.S. banks have visited Senegal and appear interested in financing operations in the area. These include Chase Manhattan, First National City, Bank of America, First National Bank of Chicago, and Morgan Guaranty. In 1973 First National Bank of Chicago and Smith, Barney, and Co. were leaders of two separate international banking consortiums, each of which put together $20 million Euro-dollar loans for Senegal.

The Government of Senegal is open to any reasonable investment proposal. While market size is a limiting factor for many domestic industries, export oriented industries would not confront this problem. Various American firms are at present considering investing in several tourist projects, a chemical plant, an agri-business operation, and a fishing operation. There are also significant investment opportunities in other sectors including textiles, food processing, and livestock.

Foreigners are encouraged to invest in Senegal. The government desires Senegalese participation in investment projects but has thus far been flexible in dealing with firms having specific needs.

Senegal has a relatively well developed infrastructure with its seaport, airport (served by 18 airlines and capable of handling 747s), and communications system. The convenient location, local service, and temperate climate combine to cause some firms to establish regional headquarters for West Africa in Dakar, serving markets as far away as the Ivory Coast and Niger.

The Senegalese Government is eager to attract foreign industry and, with the new investment code of 1972, can offer a number of attractive features. Investments may be recognized as "priority-holding" if their program includes the investment of at least 100 million CFA Frs. ($400,000) over a three-year period and creates at least 50 jobs for Senegalese workers. One can also obtain "priority status" by investing outside of the Dakar area or by investing in projects mentioned in Senegal's development plan. These priority-holding firms, under the new investment code, will receive tax and duty-free import status for up to five years of their establishment (eight years if outside the Dakar area). This code guarantees the right to transfer capital and revenue out of Senegal to those priority-holding firms which make investments financed by foreign convertible currency. Even more generous concessions are available to export industries which locate in the planned Free Trade Zone (see Oct. 28 issue, pg. 40).

Business Prospects Limited As Haiti Slowly Progresses

The economic recovery which began in Haiti in 1970 continued through 1973 and well into 1974. However, as a result of a 2 percent reduction in agricultural production, the rate of economic growth has slowed somewhat, reaching only 4 percent (in constant prices) last year compared with 7.2 percent in 1972.

Prospects for 1974 (in terms of full-year statistics) and 1975, continues the U.S. Embassy in Port-au-Prince, are for some aggregate economic growth, but at no higher rates than in 1973 and perhaps slightly lower. High costs of imports and foreign exchange scarcities will limit the growth of the monetary economy, which is highly dependent upon imports. The agricultural sector will not be severely restricted by scarcities and high prices of fertilizer and other agricultural inputs, since they are not normally used in the subsistence sector. However, there is little likelihood of substantial increases in production, because of deterioration in market roads and irrigation systems, structural inefficiencies, poor farming techniques, and a tax system which limits the return to the small farmer. The weather will be the deciding factor as to whether the agricultural sector will show a slight increase in 1974 and 1975, or whether production will decrease again.

Push for the economy

On the other hand, increased investment from both bilateral donors of economic assistance and international organizations should provide some push for the economy. By late 1974 or early 1975 construction is expected to start on the northern road (IBRD-financed), the southern road (IDB-financed), and the road to Jacmel (French bilateral assistance), as well as on a port expansion project.

The Haitian Government is also planning to invest in infrastructure, particularly in the telecommunications field. It has been announced that the construction of an earth satellite station should begin in the near future, while expansion of the Port-au-Prince telephone system should be finished by December.

Longer-term prospects require increased investment in the agricultural sector and some international help is expected. For example, the United States has signed an agreement providing an AID loan of approximately $6 million to upgrade coffee production, and other donors are providing technical assistance.

Rather extensive investments in infrastructure—hotels, roads, water supply—will be required before larger inflows of tourists can be accommodated, and development will take time. As a result of this factor, and of the increasing costs of international travel, the rate of increase in tourist arrivals is likely to slow somewhat.

Private investment, both foreign and domestic, is essential for the country's economic growth and is expected to continue. There are still some substantial projects under consideration which may be approved in the next year. There is also continuing interest, especially on the part of U.S. businessmen, in the assembly industry, whose output has almost tripled since 1971. Foreign investment is officially welcomed and special tax benefits are offered for investment in new and in export industries. Haiti has also applied to join the Caribbean Common Market (Caricom); if the application is accepted there may be further opportunities over the longer term.

The possibility of foreign exchange shortages in late 1974 and throughout 1975 limits severely prospects for expanded sales by the United States in the Haitian market. Essential imports (edible oils, wheat, pharmaceuticals and some machinery), imports connected with investment projects, and import of products for assembly in Haiti are expected to dominate the import market in Haiti through 1975. The assembly components will come chiefly from the United States, and U.S. exporters should also be able to maintain their share of the essential imports. However, increasing the U.S. share in other sectors of the market will depend upon U.S. investment in Haiti as well as success by U.S. firms in obtaining bids on various projects to be financed by international lending agencies.

The lack of plentiful natural resources and deficiencies in infrastructure limit possibilities for private foreign investment. There has been considerable interest in hotel construction but difficulties in finding suitable locations and uncertainties about international financing have delayed implementation of these projects. Opportunities will continue to exist in this field in Port-au-Prince, Cap Haitien and, as roads are improved during the next two years, in Jacmel and in the beach areas to the north and south of Port-au-Prince.

Other investment possibilities

Possibilities also exist for investment in processing vegetables, sugar and other food products. The Haitian Government is anxious to receive investments which will promote improved agricultural production. However, prospective investors will have to finance and assist peasant farmers in order to obtain needed commodities for processing.

The area of most intense interest to prospective investors has been the transformation and assembly industries. Starting out with baseballs several years ago, this activity grew rapidly—first in the sewing of pre-cut textile apparel items, then expanding into the electronics field. Although growth in the textile sector is limited because of the existence of a bilateral cotton textile agreement between the United States and Haiti, the other sectors of the transformation industry offer considerable opportunities.

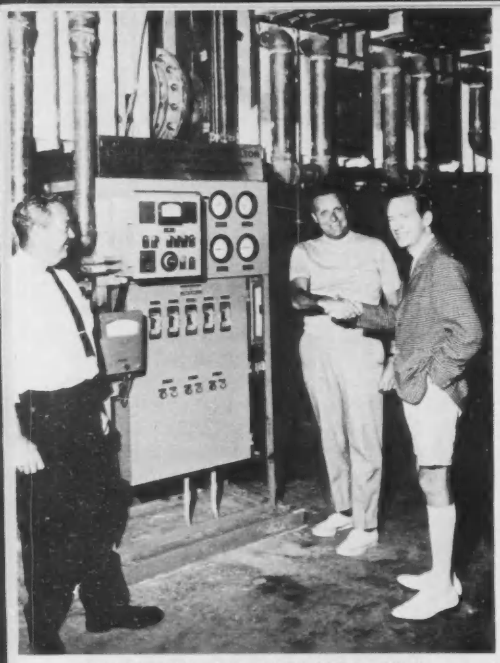
The Haitian Government is generally in favor of private foreign investment, although large projects will be examined carefully in light of Haitian interests. Some U.S. investors had problems in Haiti, particularly in 1972; however, these seemed to be isolated cases involving specific investment projects and contracts with particular Haitian authorities. Insurance on U.S. investments may be obtained from the Overseas Private Investment Corporation.

Bermuda Economy Eases From Boom To Moderate Pace

Bermuda's economy retains its glow of health, but the boom conditions of the late 1960s and early 1970s have eased and the island has not entirely escaped the effects of external economic pressures. Nevertheless, the American Consulate General in Hamilton expects continued economic growth and a steady, absolute increase in imports, with the United States the preferred supplier for many foodstuffs, consumer goods and light capital equipment.

Tourism is the bellwether of the Bermudian economy; direct tourist expenditures account for between 60 and 70 percent of Bermuda's economic activity. The number of tourists has increased annually in recent years. Hotel occupancy rates, disappointing in recent years as major additions were made to hotel capacity, may be improving in 1974; industry officials are cautiously predicting an increase of some 15 percent in this key indicator of tourist industry profitability. The government has declared a moratorium on further hotel construction until 1975.

The moratorium coincided with a decline in overall construction activity. Bermuda experienced an unprecedented boom in construction of new offices, retail establishments and private homes during the late 1960s and early 1970s which now seems to have run its course. The hotel moratorium itself is not considered directly responsible for the construction slowdown; a key planning official attributes the downturn to a local shortage of mortgage funds. A government housing corporation has been established to stimulate construction of moderate-income housing on the island and serve as a stable impetus to the flagging construction industry. The falloff in construction activity had no impact on the overall employment of Bermudian workers,



OPERATING AT CAPACITY—*With one of the world's biggest hotel water distillation plants as a background, Bodo G. von Alvensleben, right, General Manager of the Princess Hotel in Hamilton, Bermuda, congratulates E. H. Schoonmaker, Corporate Director of Sales for Baldwin-Lima-Hamilton Corp., on the BLH water complex's performance to specifications and for delivery before schedule. At left is Claude Gehman, Chief Engineer of National Bulk Carriers, owners of the Princess Hotel.*

clear evidence of the basic health of the island's economy.

International business makes a contribution to Bermuda's economy second only to tourism. The number of "exempted" companies (incorporated in Bermuda but doing business elsewhere) continues to grow; over one-third of the estimated 2,300 "exempted" companies are U.S.-owned. A 1971 survey estimated that international business accounted for 13 percent of Bermuda's GNP and directly employed 6 percent of the fulltime labor force. In addition, international companies contribute to Bermuda's overall welfare in the form of capital investment, balance of payments benefits and upgrading the skills of the local work force. The Bermudian parliament recently passed a Merchant Shipping Act which, if the problems presented by conflicting British regulations can be successfully adjusted, may attract international shipping companies to use Bermudian registry as a flag of convenience. Many foreign shipping firms presently maintain Bermudian exempted company affiliates.

As much of Bermuda's international business is attracted by the colony's tax-free status and relaxed regulatory climate, the future growth of this "industry" is uncertain and highly dependent on the forbearance of home-country legislators.

Government expenditures, particularly for increased social services, have risen steadily since the coming of responsible self-government in 1968. The rapid rise of government expenditures has reached a point where they threaten to outstrip traditional sources of revenue. The government has rejected, for the time being, the major non-traditional alternatives as either having unfavorable welfare implications or entailing cumbersome administrative procedures.

The government will probably attempt to hold the line on expenditures in its next budget, postponing most capital projects and further expansion of social services in an attempt to postpone as long as possible the unpalatable choice of a major new source of revenue. Fiscal policy, at least in the near future, will therefore probably not be stimulative and tourism and international business will continue as the key determinants of Bermuda's economic future.

Bermuda's current economic problems are those of most of the developed world—inflation, tight money and rising fuel costs. Prices of items sold in Bermuda reflect the general inflationary spiral of the colony's major suppliers—the United States, Great Britain and Canada—plus shipping costs and local merchant markups. The local cost of living index jumped 16.1 percent between June 1973 and June 1974. The tight labor market and traditional difficulties in raising productivity in a service economy have also contributed to Bermuda's cost-push inflation. Bermuda has been hard hit by rising oil fuel costs, which threaten to undermine the island's traditional balance of payments surplus. Prevailing high interest rates elsewhere may have had a major impact on the recent fortunes of the local construction industry.

The coming of responsible self-government in 1968 and the economic boom of the late 1960s and early 1970s has spurred efforts toward more systematic and comprehensive compilation of key economic data. The Government Statistician conducted Bermuda's first economic census in 1971 and local business groups commissioned an American consulting firm to compute Bermuda's gross national product for 1971 and 1972. There was no attempt to compute 1973 GNP.

The 1971 study estimated annual real growth of Bermuda's GNP at 5.5 percent, greater than in 1971, but a significant portion of the measured increase was probably due to inflation.

Steady U.S. share

American products accounted for 45 percent of Bermuda's imports in 1973. This percentage has remained remarkably constant in recent years; in 1970, for example, 44.9 percent of Bermuda's imports were from the United States. American exporters have maintained their remarkably stable market share during a period in which Bermuda cut its currency links with sterling, tied the Bermudian dollar to the gold equivalency of the U.S. dollar, dropped Commonwealth tariff preferences and enjoyed steady economic growth and even boom conditions. During this same period, the joint market share of Bermuda's three major suppliers (the U.S., U.K., and Canada, in that order) fell from 78.4 percent in 1970 to 74.9 percent in 1973.

Based on this track record, it is probable that the United States will continue to enjoy its present market dominance during the period of continued economic growth foreseen in the near future. In fact, American exporters would probably not be severely affected even by an (unforeseen) sharp downturn in Bermuda's economy. It has been estimated that a 10 percent drop in hotel receipts (a worst-case estimate) would cause only a 2 percent drop in wholesale sales in Bermuda. In general, it can be said that Bermuda's propensity to import from the United States whatever we are prepared to export at a competitive price remains as high as ever and our share of the market should hold up well in any foreseeable circumstance.

The breadth of the Bermuda market for U.S. products is another outstanding characteristic; American products enjoy a healthy market share in nearly every Bermudian import category. The only major exceptions are land transportation equipment, where American products account for 4 percent of total 1973 imports worth $6 million and petroleum and petroleum products, 1.7 percent of $7 million. In both cases, the disappointing U.S. market shares can be explained by failure to supply Bermuda's needs (U.S.-produced automobiles do not fit Bermudian size and horsepower restrictions, for example) rather than by deliberate barriers to American exports.

Import list often changes

Overall stability of the U.S. share of the Bermudian market masks considerable changes in individual items and sometimes extreme changes in the share held by any one manufacturer. American suppliers need to cultivate their Bermudian customers to keep them, and with adequate effort a U.S. firm with something new to offer can find a market there within the overall stability of the U.S. export share.

There has been no attempt to measure total U.S. investment in Bermuda but it is unquestionably substantial. Restrictions on foreign investment in local businesses have channeled much of the capital into tourist complexes and property. American ownership shares in Bermuda's hotels are valued at well over $100 million and the Bermuda Monetary Authority estimates that 75 percent of the annual investment inflow (which totaled $23.5 million in 1973) comes from the United States.

Bermuda's present business and political leaders continue to welcome foreign investment.

Completing the GATT: Toward New International Rules To Govern Export Controls. By C. Fred Bergsten. Published by National Planning Association's British-North American Committee. 72 pp. $2.

Bergsten's study warns that export controls already imposed on oil, wheat, soybeans, bauxite, etc., could trigger retaliations and trade conflicts similar to those that grew out of import controls in the 1930's.

His recommendation to "complete the GATT" is a reference to the concern hitherto by that worldwide trade monitoring body with import restrictions. He urges the upcoming GATT negotiations to give highest priority to export controls, and proposes 17 rules in this area. These include requirements for international notification and consultation prior to imposition of export controls, a system of multilateral surveillance, a "serious injury" test to justify controls, and strict limits on duration of export controls.

Bergsten also presents a comprehensive analysis of export controls, their purposes, reasons for the recent proliferation of them, their economics, and the problems they raise both for international economic and political relations.

Write: National Planning Association, 1606 New Hampshire Ave., NW., Washington, D.C. 20009.

A Businessman's Guide to Doing Business in the Mideast. 170 pp. $95.

Discusses economic and demographic data, banking trends, trade opportunities, investment avenues, real estate development, major industries, foreign competition and trade regulations for 11 Arab nations: Algeria, Egypt, Iran, Jordan, Kuwait, Lebanon, Libya, Morocco, Saudi Arabia, Syria and Tunisia.

Write: Information For Business, 730 Third Ave., New York, N.Y. 10017.

Metric Reporter Reprint of Summary of European Community Directive On Metric Units of Measurement. Published by American National Metric Council. $1 for two copies, single copies not mailed.

Further information regarding the European Communities Directive on metric units of measure may be obtained from an Oct. 18 *Metric Reporter* article. As reported in the Aug. 19 issue of *Commerce Today*, EC directive 71/354 provides for SI metric dimensioning for exports to the nine-member European Communities by 1978; with the exception of the United Kingdom and Ireland, all EC member states currently employ some form of metric dimensioning. *Commerce Today* will endeavor to keep its readers informed of further developments in this area.

Write: American National Metric Council, 1625 Massachusetts Ave., N.W., Washington, D.C. 20036.

Directory of CFF Cooperating Institutions. Published by the U.S. Export-Import Bank. 46pp. Free.

The Eximbank Cooperative Financing Facility (CFF) Program is designed to expand U.S. exports and to assist potential purchasers of U.S. equipment, goods and services, large or small. Under this program, Exim has arranged financing facilities in more than 100 countries that are prepared to provide buyers with prompt, competitive financing in cooperation with Eximbank. Those organizations are listed in this directory.

Supplier or buyer may apply to any of the listed institutions for credit to be used for the purchase of any useful U.S. export of a product, material or service. Negotiations as to terms, interest rate, and other conditions are between the applicant and the CFF—however, Eximbank, through its contribution of 50 percent of the financed portion at prevailing interest rates and the availability of the remaining 50 percent supplied by loans from U.S. or third country banks, will assure credit availability upon attractive terms and conditions.

Write: U.S. Export-Import Bank, 811 Vermont Ave., NW., Washington, D.C. 20571.

Calendar For World Traders

Nov. 13—New York—International Executives Assn. luncheon meeting, The Biltmore. Philippe de Seynes, Under Secretary General, Department of Economic and Social Affairs, United Nations, will discuss The Impact of Multinational Corporations on Development and on International Relations.

Nov. 13 — Toledo — Toledo Area International Trade Assn. meeting, Commodore Perry Motor Inn. For information, (419) 243-8251.

Nov. 15—Brookville, N.Y.—Special conference on The World Financial Outlook, C. W. Post Campus of Long Island Univ. Sponsored by The Institute for International Business, Graduate School of Business, C. W. Post Center of Long Island Univ. For information, (516) 299-2364/5.

Nov. 16—Albany, N.Y.—American Society of International Law meeting. Thomas Pierpoint of the Bureau of International Commerce will speak on International Trade and Investment.

Nov. 18-20—Ann Arbor—Seminar on Business Opportunities & Challenges in Latin America, Briarwood Hilton. Sponsors: Institute for International Commerce, Graduate School of Business Administration, Univ. of Michigan, and Detroit District Office.

Nov. 19 — New York — National Foreign Trade Council Convention. Lewis W. Bowden, Acting Director of Commerce's Bureau of East-West Trade, will speak.

Nov. 20 — Louisville — Meeting sponsored by Kentucky Department of Commerce and Chamber of Commerce, Louisville Chamber of Commerce. Commerce's Charles Barrett will speak on Commercial Relations Between the Common Market and the U.S.

Nov. 20-21—New York—World Trade Institute Conferences on Poland and Romania. Susanne Lotarski and Roger Severance of Commerce's Bureau of East-West Trade will speak.

Nov. 21—Los Angeles—Meeting sponsored by Pepperdine Univ. Center for International Business and Los Angeles World Trade Center. Lewis W. Bowden, Acting Director, and Susanne Porter and Ken Yalowitz, Bureau of East-West Trade, will speak on U.S. Position Towards U.S.-Soviet Siberian Trade.

Nov. 21—Chicago—American-Israel Chamber of Commerce and Industry meeting. Commerce's Basil Wentworth will join panel on American Midwest Companies Doing Business with Israel.

Dec. 2-3—New York—Seminars on Compensation and Related Personnel Practices in International Operations, and Operating in an Environment of Variable Exchange Rates, World Trade Institute.

Dec. 4-5—New York—Seminars on Ocean Rate-Making in International Trade, Labor Presents its Views on the Multinationals, and The Labor View from the Waterfront, World Trade Institute.

Dec. 4-6—Indianapolis—Seminar on Trade with Russia, World Trade Center at Indianapolis. Commerce's Albert Planagan will speak.

Dec. 9-13—Jerusalem — Course on Doing Business in Israel, Shalom Hotel. Sponsors: The Hebrew University of Jerusalem, Touro College of New York, Federal Publications of Washington. For information, Miss Van Wycks, (202) 337-8200.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means of communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about U.S.-sponsored exhibits abroad, licensing and joint venture proposals, opportunities to sell to foreign enterprises and appoint agents, and details on major construction and expansion projects.

U.S. Promotions Abroad

Pollution Control Equipment Catalog Exhibition. Taiwan, Korea, Philippines, Hong Kong. Jan. 13-24. Compliance with two new laws will require the purchase by Taiwan industry of several hundred million dollars worth of anti-pollution equipment. Korea is spending large sums of money to keep pollution control abreast of industrialization and urbanization. In the Philippines, various aspects of water pollution constitute major areas of market potential. Industrial air pollution has the next priority. The Hong Kong Government has taken several initiatives to improve the quality of the environment. Robert E. Peterson, 202-967-3973.

Modern Merchandising. Frankfurt Trade Center. Jan. 14-17. The U.S. is one of Germany's leading suppliers of point-of-sales, materials, handling, security, background music, and other equipment for the wholesale and retail trade. Purchases of merchandising equipment are expected to grow rapidly during the next three years, with continued imports from the U.S. Call William Dawson, 202-967-4941.

Avionics and Airport Support Equipment. Milan Trade Center. Jan. 14-18. Rough estimates put Italian market potentials for avionics equipment in 1975 at $28-$31 million, while the market for support equipment is virtually unlimited. The Italian Government has recently approved the expenditure of $159.5 million over four years for airport support equipment. Call Mara Yachnin, 202-967-2434.

Medical Equipment and Supplies (Joint Export Establishment Program—JEEP). U.S. Regional Trade Center, Singapore. Jan. 15-17. The Government of Singapore has begun a $50 million program for expansion and modernization of health care facilities, which will require substantially increased imports of modern medical equipment and supplies for the next five years. It is estimated that the Ministry of Health will spend $8 million for imported medical equipment in 1975 and similar amounts in following years. Contact Norman Lawson, Commerce District Office, Room 161, New Customhouse, 19th and Stout Sts., Denver, Colo. 80202 (303-837-3246).

Electronic Components Exhibition. U.S. Trade Center, London. Jan. 20-24. The United Kingdom is one of the world's largest producers of commercial, industrial, and consumer electronic products, and is, therefore, one of the world's largest consumers of electronic components. Britain was also the second largest export dollar earner for U.S. electronic components in Western Europe in 1973 for solid state semiconductor devices, cathode ray color television picture tubes, and passive electronic components combined. The dollar value of apparent consumption of solid state semiconductor devices and passive components is expected to increase in Britain by 27 percent by 1977. Robert J. Blake, 202-967-2797.

Scientific & Industrial Instrumentation Catalog Exhibit. Casablanca, Morocco. Jan. 20-24. Heavy capital investments by the Moroccan Government will greatly increase demand for scientific and industrial instrumentation. By 1976, Moroccan imports of instruments are expected to reach $7.1 million, with good prospects for U.S. sales of well over $1 million. Call Robert E. Peterson, 202-967-3973.

Industrial Instrumentation. Mexico City Trade Center. Jan. 20-24. The Mexican market for instruments for industrial applications is growing at a rate approximately twice as fast as the economy in general. Opportunities are open to manufacturers of industrial process control, materials test and analytical instrumentation. Porter Clary, 202-967-5040.

Agricultural Equipment and Supplies Catalog Exhibit. Cameroon and Malagasy Republic. Jan. 20-31. Agriculture is important in Cameroon and Malagasy and the use of modern agricultural methods is being strongly encouraged by the governments. Modern cultivating, harvesting, spraying and other mechanical equipment as well as chemicals to combat tropical crop diseases and livestock pests are in great demand. Robert E. Peterson, 202-967-3973.

Automotive Diagnostic and Repair Equipment. Tehran Trade Center. Feb. 2-6. The Government of Iran has committed $140 million for expansion and modernization of vehicular production and assembly facilities between 1973 and 1978. As a result, vehicle registration is expected to exceed one million by 1978 (double the 1973 figure). Iran produces none of this equipment and relies entirely on imports. Tim Sutherland, 202-967-4652.

Metalworking Equipment Catalog Show. Seoul and Manila. February. Korea and the Philippines offer a combined market for metalworking equipment of up to $40 million. This is expected to grow with continued improvements in production and repair of transport equipment, expanded minerals production, and new construction and manufacturing activities. Overall growth rates are satisfactory in both countries. While Korea represents the larger market, both countries are increasing their imports of metalworking equipment. The United States has a market share of 10 percent in Korea and 20 percent in the Philippines. Robert E. Peterson, 202-967-3973.

Microwave Technology Exhibition. Paris Trade Center. Feb. 3-7. The French market for microwave systems and equipment, circuits, components, test and measuring instrumentation is expected to expand sharply in the next few years. Spurred by a need to update outmoded communications systems and to utilize microwave applications for various military and industrial needs, the French are expected to spend over $960 million on microwave products from 1974-1977. Call Eugene Shaw, 202-967-2177.

Power Sources—Energy 75. Milan Trade Center. Feb. 8-12. The Italian market for power equipment, both primary and standby, is promising for American producers, as they can offer the most advanced products. The outlook for imports from U.S. suppliers looks especially good in the growing nuclear generation field. There is strong interest as well in geothermal and solar power, and other new approaches to power generation. The exhibit will be held in conjunction with INTEL 75-1st International Exhibition of Electrical Engineering. Call Carolyn Allen, 202-967-2434.

Recreational/Leisure Time Goods. U.S. Trade Center for Scandinavia in Stockholm. Feb. 10-14. U.S. manufacturers of summer and winter sports/recreation equipment, sports apparel, aircraft and aircraft equipment, boats and accessories, and other all-year-round products such as camping and physical fitness equipment have an excellent opportunity to exhibit their latest products at "Leisure Time/U.S.A." Scandinavians now have a shorter workweek, longer vacations and more money to spend on recreational products. William Beiring, 202-967-3276.

Automotive Diagnostic and Repair Equipment. Offsite Trade Center Show, Beirut. Feb. 10-14. Up to 15 U.S. firms will have the unusual opportunity to participate in this event in tandem with a similar Trade Center show in Tehran Feb. 2-6. The site is the Industry Institute in Beirut. As a hub of commercial and financial activity in the Middle East, regularly attracting business visitors from throughout the region, Beirut is a logical site for an exhibition designed to capitalize on the rapidly expanding market potential in area countries. Michel Smith, 202-967-4652.

Plastic Production Equipment. Mexico City Trade Center. Feb. 10-14. With increase in purchases of plastics production equipment on the order of 40 percent annually over the last several years, Mexico's market for U.S. equipment in this category is excellent. Now a producer of petrochemicals, Mexico aims at future self-sufficiency in plastics feedstocks, so expansion in the industry continues. Call Peter Clary, 202-967-5040.

Materials Test Instrumentation and Equipment. Frankfurt Trade Center. Feb. 11-14. An increase in both public and private research and development activity combined with more exacting specifications imposed by industrial customers has greatly strengthened the German market for materials test instrumentation and equipment. Imports of selected testing instruments are likely to reach $68 million in 1974, of which the U.S. share is expected to be 28 percent. Call Don Schmadel, 202-967-2177.

Food Processing, Food Packaging, and Agricultural Equipment Trade Mission. Colombia, Ecuador, Jamaica, and the Dominican Republic. Feb. 14-28. These countries are making an effort to substitute domestically produced food for imports, and at the same time expand employment. The result is an increased demand for planting, harvesting, livestock, dairy, poultry, and food processing and packaging equipment. Call Wanda Lee Ale, 202-967-4511.

Industrial Instruments. Sydney Trade Center. Feb. 17-21. The U.S. share of the Australian

import market for industrial instruments is estimated at about $40 million, and potential has improved greatly as a result of recent price advantages gained through monetary revaluation and Australian tariff cuts. Because of this new-found price competitiveness, the U.S. market share could increase as much as 20 percent. Contact Fred Groh, 202-967-3646.

Automated Business Equipment and Systems Exhibition. U.S. Trade Center, London. Feb. 24-28. The United Kingdom imported $65.9 million worth of U.S. automated business equipment and accessories in 1973. Of 16 equipment categories, the United Kingdom was the largest import dollar earner in Western Europe for nine of them, second largest for six, and third largest for one. Electronic calculators, copying machines, word processing typewriters and systems, in-house offset printing equipment and many more categories are sought. Ron McCowen, 202-967-4462.

Technical Sales Seminar to Soviet Union, Czechoslovakia and Romania on Water Treatment and Purification. February. The Joint Committee on Cooperation in the Field of Environmental Protection has formulated four specific areas for work and improvement in the field of water treatment and purification: analysis and modeling of river pollution; protection and management of lakes and estuaries; effects of pollutants upon aquatic ecological systems; and prevention and treatment of waste discharges, including sewage treatment and industrial pollution. Manufacturers of products that are used in the above areas and firms with such expertise are invited to participate in this event. Participants will have the opportunity to meet scientists, engineers and technicians as well as key officials. A series of business appointments will be provided. Wyn Coates, 202-967-5285.

Citrus Industry Equipment and Supplies Trade Mission. Spain, Italy and Greece. March 1-12. In these major citrus-producing countries there is good sales potential for machinery used in harvesting, food processing, and storage equipment for fruit growing and processing. Call Wanda Lee Ale, 202-967-4511.

Pulp, Papermaking and Converting Equipment Exhibition. U.S. Trade Center, Paris. March 3-7. With demand for paper skyrocketing, local manufacturers fall far short of meeting equipment needs. Furthermore, strict pollution control regulations and the ongoing modernization trend are resulting in demand for the most sophisticated process control and pollution control equipment and instrumentation. There is also much interest in waste paper processes. Call Robert B. Wallace, 202-967-3748.

Pharmaceutical Production Equipment Exhibition. Mexico City Trade Center. March 3-7. Expanding Mexican Government medical care programs as well as stricter controls in production and higher quality required from local laboratories offer good opportunities to U.S. suppliers of a wide range of machinery, equipment and instrumentation used in production of pharmaceuticals. The U.S. share of total imports is about 70 percent and a majority of local needs must be imported. Call Mary R. Wiening, 202-967-5037.

"PRINT-PACK USA"—International Printing and Packaging Exhibition. Sao Paulo. March 3-9. The Brazilian market for printing and graphic arts equipment is $52 million and growing 13 percent a year, and the market for packaging machinery is $28 million and growing 27 percent. Opportunities are especially good for form-fill-seal, shrink wrapping, thermoformers, vacuum and gas packaging, canmaking, cartoning, can-packing, bottle-filling, case filling and sealing, bag top labeling and code marking equipment. Web-offset and flexographic presses have excellent potential, as do phototypesetting, editing and automated photocomposition equipment. Pete Field, 202-967-3871.

Communications Equipment Catalog Exhibit. Beirut, Ankara and Istanbul. March 3-14. Lebanon and Turkey offer a combined potential market for communications equipment of more than $460 million. The Lebanese market for communications equipment is substantial and expanding yearly. The Turkish market, where potential is greater, has undergone a significant structural change evident in the rising contribution of the industrial sector to GNP. One aim of the Third Plan will be to raise standards of the communication sector to meet future demands. Increases are expected in inter and intra-city telephone usage, telex and telegraph, and it is expected that by 1980 the entire country will be covered by television. Robert C. Peterson, 202-967-3973.

Electronic Data Processing and Related Equipment. U.S. Trade Center for Scandinavia in Stockholm. March 10-14. Strong EDP sales continue to be fueled by increasing private sector realization of new profit-oriented computer applications and by increasing flexibility in leasing and other approaches to the issue of computer availability. Current projections indicate that the Swedish market alone will spend almost $1 billion on EDP equipment in the 1973-77 period. Imports are expected to continue to account for most sales, with U.S. firms and their European subsidiaries providing over 75 percent of all products. Jim Lamont, 202-967-4543.

General Industrial Equipment and Instrumentation Solo Exhibition. Bogota. March 10-15. Colombian industrialists have greatly expanded and diversified non-traditional exports within the Andean Common Market and throughout the world, reaching $2.5 billion in exports in 1973 and doubling their total foreign trade in less than ten years. U.S.-based manufacturers of analytical instrumentation for better quality control, general materials handling equipment and systems, and equipment for the greatly expanding printing and graphic arts and textile industries will be joined by local agents of U.S. general industrial lines already being marketed in Colombia. Call Richard F. Muenzer, 202-967-2329.

U.S. Industrial Heat Processing Equipment Trade Mission to Korea, Taiwan and Singapore. March 10-24. This Mission is in response to strong market demand for industrial heat processing equipment in these three countries, whose economies are among the fastest growing in the world. The Mission will include U.S. companies providing industrial furnaces and ovens, combustion equipment, heat exchange equipment, dryers and other industrial heating devices. Bill Bushwaller, 202-967-4511.

U.S. Exhibition, Cairo International Fair. March 10-31. The American Embassy is sponsoring a U.S. Exhibition at the Cairo International Fair featuring a variety of products and services aimed at the Egyptian market. Apply directly to Roger Merrick, Commercial Section, American Embassy, 5 Sharia Latin America, Cairo. Limited background information is available from: Robert Vigneault, 202-967-4304, or John Haldane, 202-967-3752.

Sporting Goods (JEEP). Tehran. March 11-13. The Iranians are keenly sports-minded. Sports participated in include snow skiing, soccer, tennis, hiking, fishing and camping. With rapidly increasing per capita income and conversion to a five-day workweek, a good market potential for American sporting goods exists. Limited to new-to-market firms. Frank O'Connor, Commerce District Office, 411 Stuart St., Boston, Mass. 02116 (617-223-2312).

Industrial Assembly Equipment. Milan Trade Center. March 11-15. Vastly increasing labor costs are causing Italian manufacturers to seek more advanced types of assembly equipment. In addition, Italian industry, in its attempt to remain competitive, is being forced to rationalize production processes. Since Italian manufacturers produce mainly conventional types of industrial assembly equipment, the projected strong demand for high productivity machines, products and tools incorporating latest developments and know-how will be met by imports. Contact John Priamou, 202-967-2434.

Hotel and Restaurant Equipment Exhibition. Tokyo. March 14-18. This major promotion will be held concurrently with the 1975 Tokyo International Hotel and Restaurant Show. The Japanese market for hotel and restaurant equipment in 1973 was about $3.9 billion and growing 20 percent annually. Imports comprised over $56 million in 1973 and are expected to rise at 20 percent annually over the next three years. U.S. products accounted for roughly 34 percent of imports in 1973. Best sales prospects include equipment for administrative services, building mechanics, commercial food and services, and cleaning, maintenance and sanitation. John L. Wolf, 202-967-4056.

TAPEX '75—Antipollution Exhibition, 5th International Session. Tokyo. March 14-19. The estimated $5.6 billion to be spent by the Japanese in this field during 1974 represents more than 9 percent of total private plant investment in Japan. With Japan's pollution laws the most stringent in the world and its requirements increasing rapidly, U.S. suppliers, who now provide 70 percent of Japanese imports of pollution control equipment, materials and systems can expect excellent sales opportunities over the next three years. Call Ray Alvarez, 202-967-2461.

Educational and Training Aids Equipment (JEEP) Mexico City Trade Center. March 17-19. With a population of approximately 57 million, an economy growing at a steady 7.4 percent and a school enrollment of over 10 million, improved techniques and equipment for Mexico's schools and colleges are constantly being sought. In addition, enterprises are required to provide education and training for employees. This exhibition is limited to new-to-market U.S. participants and is designed to put them in contact with potential representatives who can handle sales on a continuing basis. Call Alvin G. Davis at the Chicago District Office, 312-353-4450.

Technical Sales Seminar on Agricultural Chemicals and Chemical Processing. Hungary, Bulgaria and Romania. March 17-April 1. A recent study of these countries points up increased usage of U.S.-made pesticides and fertilizers including fungicides, herbicides, insecticides and chemical fertilizers such as phosphates. In response to this need, Commerce, for seven American firms in the fields of preparation, development, application and evaluation of agricultural chemicals, will set up seminar meetings in each city with key managerial and technical people as well as arrange private discussions with purchasing authorities. Participating firms will provide technically competent speakers to make half-hour presentations on a subject approved by the seminar chairman. Fred E. Crosley, Jr., 202-967-5285.

Apparel Manufacturing Equipment Exhibition. Frankfurt Trade Center. March 18-21. Inflation and labor scarcity are inducing apparel manufacturers to streamline operations. Sales potential is high for most types of automated, labor saving or cost cutting production equipment and specialties. With easing of bank credits and interest rates, and elimination of investment taxes on capital goods, apparel makers are in position to purchase. Equipment sales are steadily climbing. An annual increase of 6.25 percent is projected through 1977 in Germany. Call Charles Whitley, 202-967-5381.

Advanced Electronic Components Exhibition. Milan Trade Center. March 24-27. Italian im-

ports of advanced electronic components have been increasing an average of 18 percent a year. Between 1971 and 1973 consumption of these components climbed from $89.5 million to $135.7 million. High on the list of most-wanted components are capacitors, integrated circuits, diodes, rectifiers, transistors, resistors, thyristors, cathode ray color tubes. Call Sam Spaulding, 202-967-4508.

Mining Equipment and Services Trade Mission to Poland, Czechoslovakia. and Romania. April. Significant marketing opportunities are expected to result from this Mission. Participating U.S. companies will be recruited from the fields of mining engineering services, mine safety equipment, and strip mining apparatus and deep mining tools and equipment for coal and other minerals. Doug Harwood, 202-967-3741.

Railway Equipment Trade Mission to Nigeria, Zaire, Zambia, Botswana. April. Railroad rolling stock and equipment including maintenance, repair, service equipment, signaling, communications and electronics are among major categories of products and services urgently required to service, expand and build railroad systems in these expanding economies. Herb Socks, 202-967-3846.

Health Care Industries Catalog Exhibit. Ethiopia and Kenya. April. Development plans for these two countries call for expenditures of over $23 million for various health programs in a wide variety of areas. Major emphasis is on construction of buildings and purchase of equipment for health centers and health stations; upgrading present facilities; improvement of hospital services, especially in the areas of surgery, x-rays, safe water, sanitation, dentistry and some in the area of cardiology. Money has also been allocated for special projects to combat communicable diseases and to improve public health services. Robert E. Peterson, 202-967-3973.

Pumps and Compressors Specialized Exhibition. Moscow. April 1-10. The new five-year plan includes expansion of present and construction of new enterprises throughout the country. Implementation of these plans requires acquisition of a large volume of the most up-to-date pumps, compressors, and related items. Soviet domestic production is capable of supplying only a part of total demand for this equipment. Call Oleg Jerschkowsky, 202-967-3376.

Chemical and Petrochemical Processing Equipment and Services Trade Mission to Venezuela, Brazil and Argentina. April 3-15. All U.S. companies providing products and services in the broad field of chemical and petrochemical production and processing equipment, instrumentation and services are invited to participate. Limited to 12 members. Call Bill Bushwaller, 202-967-4511.

Hospital Equipment and Systems Trade Mission to Greece, Italy and Switzerland. April 5-17. Currency realignments continue to give U.S. products a price advantage over major competitors. The following medical/hospital equipment should find a good market: clinical and research laboratory instrumentation. and cardiological-thoracic, neurological, pediatric, nephritic and general hospital equipment, especially nuclear medicine equipment. E. Lee Carteron, 202-967-2973/4.

Electronics Production and Test Equipment Tandem Exhibitions. U.S. Trade Center, Stockholm, April 7-11, U.S. Trade Center, London, April 15-18. Two consecutive exhibitions directed primarily to producers of electronic components in Sweden and the United Kingdom are now being offered to U.S. manufacturers of nonferrous metal mill shapes; production equipment for semiconductor integrated circuits, printed circuits, wiring assembly and other components; test instruments and equipment for production and/or inspection; parts and devices and passive components; and piezoelectric crystals including mounted filters and parts. Maurice Peter, 202-967-4256.

U.S. Consumer Goods Promotion. Tokyo Trade Center. April 9-12 and 16-19. The first promotion will present major electrical appliances, electric and nonelectric housewares and home furnishings. The second will essentially cater to recreation, sporting and leisure items, games, toys, books, magazines, writing instruments, precious stones and jewelry, cosmetics, perfumes and athletic wear. Revaluation of the yen, escalating costs, changing Japanese tastes towards western goods, and demand for a wider range of quality/brandname items are contributing to strong sales of U.S. consumer goods in Japan. Call Don Chambers, 202-967-2963.

The International Motor Show. Barcelona. April 12-22. Commerce will sponsor a U.S. pavilion at Spain's leading annual event for the automotive industry. Plans have been established by Spanish auto manufacturers to spend $1.1 billion by 1977 for new and improved production facilities. With the subsequent increase in the motor vehcile population, there will be a tremendously increased demand for new and improved service and repair equipment. Call William S. Gaines, 202-967-3957.

Laser and Electro-Optic Technology Exhibition. U.S. Trade Center, Paris. April 14-18. A laser exhibition in 1969 resulted in over $3 million in sales during the show and the following year. Since then, scientific and industrial need has grown rapidly. During 1975-1977, French industry and scientific organizations are expected to spend $39 million on lasers. Imports are expected to constitute the greater share of this market. Chuck Whitley, 202-967-5381.

U.S. Book Fair. Sydney Trade Center. April 14-18. Australian imports of books and pamphlets are approximately $85 million, with annual growth of 10 percent. The U.S. provides about one-third. American products have been competitive recently with revaluation of the Australian dollar. In addition, recent breakthroughs in the restrictive markets agreement allow greater freedom and openness in Australia. Fred Groh, 202-967-3646.

Franchising Trade Mission. Tokyo, Osaka and Fukuoka, Japan. April 14-25. Japan's rapidly growing economy favors the extension of franchising activities in the categories of fast food restaurants, automobile products and services, laundry and dry-cleaning services, hotels, recreation, and retailing. Call Wanda Lee Ale, 202-967-4511.

Educational Training Aids & Audio Visual Equipment Catalog Exhibition. Singapore and Malaysia. April 15-23. This event is designed to assist U.S. industry in developing and expanding sales in the Far East market. Exporters of this type of equipment have a growing market in Singapore; imports increased 74 percent over the 1972 level to $41.8 million in 1973. Overseas suppliers furnish approximately 80 percent of Malaysia's requirements for educational training aids and audio visual equipment; in 1972 imports totaled some $10 million. The promotional campaign will be targeted to public and private educational institutions, hospitals and medical schools, libraries, television and film enterprises, and agents and distributors of this specialized equipment. Call Robert E. Peterson, 202-967-3973.

Plant Protection Systems. Tehran. April 20-24. The market for plant protection systems in Iran is expected to grow from $3.6 million to $21 million within the next four years. Many new plants are under construction or expansion, and managers are interested in seeing new developments in plant protection methods. Phone Michel Smith, 202-967-4652.

MACH TECH—Machine Tools and Metalworking Equipment Exhibition. Taipei Trade Center. April 21-25. Taiwan's economy continues to expand at over 8 percent a year. Consumption of metalworking equipment is rising at 15 percent per year, from $38 million in 1974 to $67 million by 1978. Call Harry Stringer, 202-967-5200.

Woodworking, Furniture Manufacturing and Timber Industries Equipment Exhibition. Zagreb Spring Fair. Yugoslavia. April 21-27. The timber and woodworking industries represent an important sector of the Yugoslav economy—accounting for 7 percent of total industrial output and 11 percent of total exports. Furniture manufacturing is one of the fastest growing and most successful industries there. The Yugoslav Government has already accorded priority in economic planning for further development, expansion and modernization of these industries, which presently import 70 percent of equipment used. This prestigious commercial Fair, one of Europe's largest, will attract buyers from Eastern and Western Europe as well as Yugoslavia. Beryl D. Cohen, 202-967-4508.

Pollution Control Equipment. Frankfurt Trade Center. April 22-25. American manufacturers and suppliers of equipment for control of air and water pollution, noise abatement, sewage treatment and solid waste disposal have an excellent opportunity. In 1974 and 1975, the Federal Republic's annual investment in pollution abatement is anticipated at about $2.6 billion and $3.1 billion, respectively. Bill Dawson, 202-967-4941.

Process Control Instrumentation Exhibition. Manila. April 22-26. High sales potential exists in the Philippines for U.S. manufacturers of process measuring and control instruments and systems for measuring, recording, and controlling physical/chemical properties. Total consumption of such instrumentation rose from $1.7 million in 1970 to $2.4 million in 1973, a jump of nearly 30 percent. Consumption is expected to more than double between 1974 and 1978. Call Dave Horridge, 202-967-2798 or 5545.

U.S. Exhibition, Casablanca International Fair. April 24-May 11. A U.S. exhibition sponsored by the American Embassy will feature a variety of products and services aimed at the Moroccan market. Apply directly to: Joseph Fisher, Commercial Section, American Consulate General, B.P. 675, No. 8, Bd. Moulay Youssef, Casablanca. Limited background information is available from Robert Vigneault, 202-967-4304, or Laron Jenson, 202-967-5737.

Hospital/Medical Equipment (JEEP). U.S. Trade Center, Sydney. May 5-7. The medical equipment industry is one of the fastest growing markets for U.S. firms. Increased government spending in addition to monetary revaluations, make U.S. products very competitive, and most of Australia's requirements must be met by imports. Fred Groh, 202-967-3646.

Portable Power Tools (JEEP). Tehran. May 12-14. There is a $10 million market for pneumatic power and hand tools in Iran. The market is expanding dramatically as Iran uses more of its vast oil revenues to build new factories and houses for industrial workers and the burgeoning middle class. Limited to new to market firms. Phone Michel Smith, 202-967-4652.

Analytical Instruments for Science and Industry Exhibition. U S. Trade Center, Tokyo. May 12-16. For 1974, the Japanese market for automated and computer controlled analytical instruments is estimated at nearly $50 million. The expected value of $78 million by 1976 represents an annual average rate of growth of 25 percent. Of the 1974 consumption figure of $50 million, 57 percent is of domestic

Japanese origin and a surprisingly high 37 percent of U.S. origin. Value-wise, Japanese imports amounted to approximately $21.6 million in 1974, with the U.S. share being $18.6 million or 86 percent. Several factors that have contributed to expand the Japanese market for sophisticated analytical instruments are demands of health care programs, pollution monitoring, and increases in scale of chemical process industries. American products which are unique or technologically advanced, save labor, or substantially reduce analyzing/displaying/computing time are highly marketable in Japan. Maury Shea, 202-967-2461.

Advanced Medical Equipment Exhibition. U.S. Trade Center, Mexico City. May 12-16. The Mexican market for medical equipment is growing at twice the rate of the economy in general, and U.S. equipment is favored in most categories. Two previous similar exhibitions at the U.S. Trade Center have been extremely successful. Mary Weining, 202-967-5037.

Children's Fashions (JEEP). U.S. Trade Center, Paris. May 13-15. In spite of an active French garment industry, the market in France offers splendid opportunities for many American manufacturers of children's clothing. Sales prospects for U.S. sportswear are likely to get better as youth-led trends towards casual clothing continue. Interest is especially strong for styles that project the American look. Contact nearest Commerce District Office or Anita Brownstein, 202-967-4504.

Toys and Games (JEEP). U.S. Trade Center, Paris. May 13-15. An increased affluence and a generous attitude towards youth are factors which account for a surge in the market in France for toys and games. In 1973 the French spent over $323 million for children's playthings and this upward trend will continue. Contact nearest Commerce District Office or Anita Brownstein, 202-967-4504.

Airconditioning and Refrigeration Equipment Exhibition. Frankfurt Trade Center. May 13-16. This event will feature equipment for the commercial, industrial and residential markets. The current German airconditioning equipment market is estimated at about $301 million, of which about 22.5 percent or $68 million is manufactured in the U.S. By 1976 the market is expected to be about $458 million, of which $91.7 million will come from the U.S. The refrigeration market is expected to increase 5-8 percent annually. Don Schmadel, 202-967-2177.

Construction Equipment and Building Materials Exhibition. Milan Trade Center. May 16-21. The Italian construction industry ranks high internationally, with operations throughout the Mediterranean area, Africa, and elsewhere. U.S. products in many categories are now very competitive due to currency realignments and higher inflation levels in competing countries. This event runs concurrent with Cemento Expo, International Exhibition of the concrete industry at the same Fairgrounds. Drastically increased labor costs and other cost increases in traditional materials and construction techniques are causing Italian construction firms to seek new equipment and materials which will help them contain costs. Products of interest include prefabricated housing and building systems; metal buildings and systems; lumber, plywood, siding, paneling, flooring; carpeting; wall covering; specialty coatings; special concrete rebars, fasteners, forms, ties, anchors, etc.; concrete working and leveling equipment; pneumatic tools; advanced surveying and measuring equipment; welding equipment; construction machinery. Peter Wilson, 202-967-2434.

Technology 75—Tel Aviv International Fair. May 20-27. A show for machine tools, metalworking and finishing equipment and computers will be sponsored by Commerce at the U.S. Pavilion of this Fair, a "business only" event designed to attract the largest possible number of prospective purchasers. Tim Sutherland, 202-967-5506.

Sales opportunities in 18 U.S. commercial exhibitions, 7 catalog exhibitions, 41 shows at U.S. Trade Centers, 8 trade missions and 2 technical sales seminars are being offered to present and potential U.S. exporters between now and June.

Each Trade Center exhibition is limited to one particular line of products and centers are located in Beirut, Buenos Aires, Frankfurt, London, Mexico City, Milan, Paris, Seoul, Singapore, Stockholm, Sydney, Taipei, Tehran, and Tokyo. For further information on the Trade Center shows described or for more facts on U.S. exhibitions, **write:** *Director, Office of International Marketing, Room 4015, U.S. Department of Commerce, Washington, D.C. 20230.*

U.S. specialized trade missions and technical seminars are comprised of groups of U.S. businessmen organized by the U.S. Department of Commerce to travel abroad to promote the export of U.S. goods and services produced by their particular industry. **Write:** *Trade Missions, Room 4219, U.S. Department of Commerce. Washington, D.C. 20230.*

U.S. Advanced Business Equipment Exhibition, Budapest International Spring Fair. May 21-29. Hungarian officials have expressed high interest in advanced business equipment geared to mechanize and modernize office systems and administrative procedures. Principal equipment in demand includes: electronic calculators, accounting machines, microfilm systems, advanced model cash registers, copy and duplicating equipment, and other general office equipment. Kenneth McKenna, 202-967-5186.

Printing and Graphic Arts Equipment. U.S. Trade Center, Sydney. May 26-30. U.S. exports to Australia have been increasing at a rate of 70 percent above last year due to a booming economy, revaluation of the Australian dollar and the currencies of other major exporters to Australia, reduction in Australian tariffs, a high rate of inflation, and shortages for many types of products. The market for printing equipment in Australia is about $40 million this year. The U.S. share is 20-30 percent and could be expanded. Fred Groh, 202-967-3646.

Industrial and Scientific Photographic Equipment (JEEP). Mexico City Trade Center. May 28-30. U.S. manufacturers have been regaining their share of the growing Mexican market for industrial and scientific photographic equipment in recent years. This exhibition is designed to promote the complete line of photographic equipment other than that designed for the amateur photographer. It is limited to participants not presently represented or marketing in Mexico. Contact nearest Commerce District Office or Phil Christenson, 202-967-5038.

U.S. Pavilion, Paris Air Show, Le Bourget Airport. May 30-June 8. The export market is the brightest spot in the U.S. aerospace industry this year. In 1973 U.S. aerospace exports reached an all-time high of $5.2 billion, 27 percent of production. During the period 1968-1973, over 46 percent ($8.2 billion) of total U.S. exports ($17.7 billion) of civilian and military aircraft, engines and parts were shipped to Western Europe. Sales prospects for 1975 are particularly good for general aviation aircraft, helicopters, military aircraft for the NATO air forces, avionics and airborne instrumentation, aircraft engines and parts, airport and ground support equipment (with special attention on security equipment), and components. Michael G. Hanpeter, 202-967-4961.

Electronic Industry Production and Test Equipment Exhibition. U.S. Trade Center, Tokyo. June 2-6. The market in Japan for this type equipment is buoyed by the rapidly expanding markets, domestically and worldwide, for the massive output of Japanese electronic goods—expected to reach $20 billion by 1975—and the requirements of Japanese electronic manufacturers for production and test equipment—estimated to reach $215 million by 1977, up 40 percent from 1973. By 1975 the Japanese Government intends to remove any restrictions on investments and imports of electronic production and test equipment in an effort to offset negative effects of rising labor costs and to bolster market position worldwide for electronic goods. Phone 202-967-2425.

Electronic Components. Paris Trade Center. June 2-6. The French electronic component industry is expected to expand at an annual rate of between 15 and 20 percent in the next several years. France's imports of electronic components amounted to $128.6 million in 1972, about 45 percent of the total market, and are forecast to approach $155 million in 1977. U.S. manufacturers were the source of more than one-third of France's annual imports of this equipment in recent years, and can anticipate sales to France in excess of $50 million in 1977. Included in this exhibition are integrated circuits, transistors, capacitors, resistors, diodes and rectifiers and color TV picture tubes. Call Myra L. Triplett, 202-967-5381.

Food Processing and Packaging Equipment. Tehran. June 9-13. Consumption of packaged food is increasing at a fast rate in Iran, as per capita income rises in a geometric curve. Antiquated processing and packaging systems are unable to satisfy the market growth, indicating a substantial need for semi-automatic and mechanized equipment. A recent study indicates that sales of subject equipment in Iran will grow from $5.8 million in 1972 to $45 million in 1978. Tim Sutherland, 202-967-5506.

Pollution Control Exhibition. U.S. Trade Center, Mexico City. June 16-20. The present Mexican Administration has made pollution control one of its highest priority programs. This federally coordinated pollution control program has increased demand for necessary equipment beyond projected programs of a few years ago. Phil Christenson, 202-967-5038.

Household Textile Products (JEEP). Milan Trade Center. June 17-19. With a population of over 55 million and a relatively high per capita income of $2550, Italy constitutes a large market for household textile products. Department store buyers have found that American items have strong appeal on the Italian market. No-iron sheets and pillowcases; kitchen linens; terry towels; 3-piece bath sets; tablecloths; drapery and upholstery fabrics; needlepoint, hook rug and other textile kits; and children's novelties are among items in demand. Only U.S. firms not currently selling in Italy may participate. Ann Corro, 202-967-2434.

Kinshasa International Fair (FIKIN). June 21-July 6. A U.S. exhibition sponsored by the American Embassy will feature a variety of products and services aimed at the expanding Zairian market. Apply directly to: Ollie Ellison, Economic/Commercial Section, AmEmbassy Kinshasa, APO New York, N.Y. 09662. Limited background information is available from: Robert Vigneault, 202-967-4304, or Frank Ocwieja, 202-967-3904.

Licensing, Investment Abroad

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Foreign Investment Services Staff, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230, or from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

INDIA—Firm has obtained Letter of Intent to establish a plant within Bombay's Santa Cruz electronic export processing zone to produce annually, 200 tons of **steatite, forsterite and alumia ceramic components.** Required to export entire production. Desires American partner to participate in equity, provide technical know-how and marketing. Also, American partner is to plan and implement project, including plant and equipment selection, and procurement of locally available and imported raw materials. Indian firm would like to start discussions as soon as possible. Pheroze Kudianwala Consultants Private Ltd. (PKC), Mackinnon Mackenzie Bldg., Ballard Estate, Bombay 400 038, India. WTDR. P-74663. OPIC.

SOUTH VIETNAM—Government of Vietnam offers unique opportunities for economic development of Cam Ranh Peninsula. Cam Ranh Bay complex, constructed at a cost exceeding $750 million, covers a 30 sq.-km. area. It includes modern airfield, 10,000 ft. long (capable of handling C-5A and 747 aircraft), extensive network of paved roads, warehouse storage facilities, over 4,000 major buildings, fuel storage areas and pier facilities capable of handling 10,000-ton ships drawing 20 ft. of water. Earlier this year, Prime Minister signed decree establishing industrial zone at Cam Ranh Bay. Detailed plans have not yet been announced, but it is believed that the zone will be developed in three phases as a heavy industrial zone centered around oil refinery/petrochemical complex.

In addition, Cam Ranh complex enjoys a fine natural harbor; pool of inexpensive, trained manpower; ample electric power; and U.S. and Japanese investment guarantees. Also, several industries have been designated for possible development: Silica sand/solar salt; timber; seafood processing; and oil refining. For further information, write Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-74660. OPIC.

2043, 5812—IRAQ—Major company seeks technical know-how, machinery and equipment for (1) **manufacture of cereals** and (2) **establishing fast-food type restaurant.** Firm currently manufactures pencils and pen; represents a large U.S. manufacturer of air conditioning equipment. Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-74644.

2048—SAUDI ARABIA—Firm wishes to establish an **animal feeds factory** capable of producing 700 tons of feed monthly. Country's current annual requirement reportedly is 12,000 tons, excluding poultry feed. Company is seeking joint venture with U.S. firm which would provide machinery and technical know-how. Established in 1971, firm imports, distributes, and retails animal drugs, farm machinery, and equipment. Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-774645.

2076—INDIA—Technical assistance is sought to establish **integrated castor bean processing and manufacturing complex.** Plant, to be located in Andhra Pradesh state, will process 50,000 tons of beans annually into dehydrated and hydrogenated castor oil, dimer acids, polyamides, dehydrated castor fatty acids, castor cake and nylon 11. Eighty percent of production will be exported. Project is proposed by Indian businessman who currently operates five Esso outlets. He has a Letter of Intent (approval in principle) from Indian Government. Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-74657. OPIC.

2899—UNITED KINGDOM—Chemical manufacturer and distributor desires licensing/joint venture arrangement for production of **demulsifiers, pipe-coatings** and **anti-corrosives.** Firm manufactures chemicals based on berite, bentonite, and similar bases. Since development of Scotish offshore oil fields, company has been turning increasingly to production of and blending of chemicals for the mud process. Firm would also be interested in distributorship with a U.S. firm. R. L. B. Sandeman, Director, Sandeman Brothers Ltd., 50 Belsland Drive, Maryhill, Glasgow, Scotland. P-74659.

3291—CHILE—Firm seeks license to produce **non-metallic bonded abrasive products.** Also, desires technical assistance and is willing to purchase machinery needed for expanded production. Firm has completed feasibility studies and has obtained credits from CORFO (Chilean Development Corporation) to increase production from 60 00 tons a year to 240,000 tons. Presently produces vitrified bond, resinoid and shellac bond-reinforced, and non-reinforced. Francisco Alvarado, Gerente, Abrasivos Nacionales Ltda., Moneda 1040, Of. 608, Santiago, Chile. P-74662.

3292—JAPAN—Leading cement manufacturer seeks technical assistance for manufacture of **fire resistant and alkali-proof manmade mineral fiber cement products, e.g. slates, boards, pipes,** for use as building materials. Established in 1925; annual sales production is over 8.6 million tons. Tetsuya Kochi, Consutlant, Chichibu Cement Co., Ltd., 8-17 Hongo 4-chome, Bunkyo-ku, Tokyo 113, Japan. P-74651.

3443—UNITED KINGDOM—Firm seeks license to produce **tanks for storage of mud and and small couplings for pipe connectors.** Firm is supplier of rotary oilfield and gasfield drilling equipment. Mr. Lambert, Director, Servoil Ltd., 28 Sinclair Rd., Aberdeen AB1 3PN, Scotland. P-74646.

3500—UNITED KINGDOM—Firm seeks licenses or similar arrangements to manufacture **machine tools or measuring instruments, packaging equipment, business machines and home appliances.** Market in U.K. and Europe. Company produces gear testing and roundness measuring equipment; also manufactures on a subcontract basis high precision components for aircraft, computer, optical, machine tool and other industries. G. F. Thompson, Marketing Manager, Goulder Mikron Ltd., Kirkheaton Huddersfield, HD5 OQR, England. P-74650.

3536, 3531, 3569, 3423—GERMANY—Manufacturer of electric and trolley **hoists;** drum, hydraulic, and truck mounted **winches;** screw lifting, hydraulic **jacks** interested in acquiring license for manufacture of related and complementary products. Firm employs 250 and has average annual sales of $10 million; its products exported to over 100 countries. Pfaff-silberblau Hebezeugfabrik KG, D-8901 Augsburg-Derching, Industriestrasse, Germany. Phone, 0821/7951; telex, 05/3760 pfaff d; cable address, Pfaffwinde. WTDR. P-74658.

3545—TAIWAN—Seeks joint venture arrangement for manufacture of **precision tools such as micrometers and calipers.** Company established in 1969, is capitalized at US$13,000. It has been primarily engaged in mechanical processing and fabrication. Firm owns 2,000 square meters, near downtown Taipei, suitable for projected plant site. Monthly output of 12,000 micrometer and calipers worth $200 000 is estimated in initial stage after completion of plant. Of production, 90 percent is to be exported to southeast Asian countries; remaining 10 percent would be for domestic consumption. H. T. Wang, President, Formosa Industrial Supplies, Ltd., 7, Lane 455 Roosevelt Road, Sec. 6, Taipei, Taiwan. WTDR. P-74661.

3559—AUSTRIA—Firm seeks license for the engineering and construction of **large water treatment systems for industrial and municipal use.** Company has technology for small- and medium-sized systems. Company is also interested in handling related equipment on an agency basis. The Austrian firm markets filters and special-purpose machinery, and provides engineering services in environmental protection. Its sales territory includes Austria and Eastern Europe. Claus Von Rebentisch, Georg Hamburger & Co. K.G., Getriedemarkt 10, A 1010 Vienna, Austria. P-74647. Firms responding are requested to send copies of their correspondence to U.S. Embassy, 1X Boltzmanngasse 16, A-1091, Vienna, Austria.

3569—JAPAN—Company, seeks technical know-how for manufacture of **automatic fire extinguishing sprinkler systems** for large buildings, preferably patented or new to Japan. Firm wishes to act as an agent/distributor in Japan for U.S. licensor's products until beginning of manufacture under licensing agent. Established in 1954; manufactures plumbing systems and fixtures, machinery lubricating systems, automatic rod supply systems, gas cocks, die castings, and metallic molds. Ren Kaney, Permanent Advisor, Showa Industries Corp., 2-16 Azusawa 2-chome, Itabashi-ku, Tokyo 174, Japan. WTDR. P-74653.

3612—TURKEY—Seeks license or similar agreement to improve its **transformer** product line. Primarily produces transformers for domestic market, plus industrial switchboards, fuses and fuse equipment. Firm is smallest of Turkey's four transformer manufacturers. Current production is insufficient to meet demand. Company is expanding its plant facilities. Selim Yurekten, Plant Manager, Elektro Mekanik Sanayi Tesisleri A.S., Agir Sanayi Bolgesi Kepsut Sosesi Yani, Balikesir, Turkey. WTDR. P-74648. OPIC. Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230.

3679—INDIA—A state industrial development corporation seeks technical know-how, equipment to produce **electronic components.** Plans to manufacture electrolytic capacitors, variable gang condensers, magnetic recording tapes and plastic, polyester and styroflex capacitors. Projects will be located in newly established industrial area. Corporation has received approval from Government of India to produce capacitors. A. S. Chatha, Managing Director, Punjab States Industrial Development Corporation Ltd. (PSIDC), S. C. O. 54, Post Box No. 81, Sector 17-A, Chandigarh, India. P-74649. OPIC.

3714—ISRAEL—Firm seeks licensing technology for manufacture of **engine filters for cars, tractors, etc.,** for local market as well as for export. Firm manufactures all types of tin cans and has necessary equipment and tools for manufacture of filters. Should any additional equipment be necessary, firm would seek U.S. sources of supply. Thickness of tin plate required ranges from 0.25 to 0.30 mm. but firm has equipment that can manufacture up to 0.50 mm. thickness. Raw material required for manufacture of filters ranges from 0.30 up to 0.45 mm. thickness. Joseph Nir, Managing Director, Shilgersky Ltd. (Matmor) of Industrial Zone A, Ramlah, Israel. P-74656. OPIC.

3811—FRANCE—License to produce **ozone generators** is sought by engineering company. Firm specializes in studies for gas industry. Reportedly is well managed, has good commercial reputation. Mrs. Mahillon, Secretaire Generale, Le Gaz Integral, 100 avenue Lenine, 92000 Nanterre, France. P-74654.

3824—AUSTRALIA—Seeks license to manufacture **water meters** for domestic and/or industrial application. Also interested in making other products that lend themselves to light manufacturing capabilities. The meters are used to measure volume of water supplies to individual homes through city supply systems. Meters are placed in main water supply pipe into each property. Firm presently makes kerosene pressure lamps and stoves, markets throughout Australia, and exports to South Pacific. Firm has wide and good relations with large number of wholesalers. It has ample plant space for expansion. H. J. Harwood, Managing Director, Handi Works Pty. Ltd., Evans Road, Salisbury North, 4107, Brisbane, Australia. P-74652.

3835—ECUADOR—Agency for promoting investment, CENDES, seeks U.S. participation in a project to make **electrical measuring instruments,** including **ohmmeters, voltmeters and ammeters.** Also, other electrical measuring instruments, components and parts (except oscilloscopes and oscillographs). CENDES has conducted feasibility studies for the project which has been assigned Ecuador as member of Andean Pact. U.S. firms could participate through licensing, joint ventures. Project will qualify for tax and other investment incentives. Ing. Servio Palacios, Jefe De La Division De Promocion Centro De Desarrollo Industrial Del Ecuador, Cendes Orellana 1297 Y 9 De Octubre, Quito, Ecuador. P-74655.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the United States under a licensing agreement or in partnership, write the Investment Services Staff, Bureau of International Commerce, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-2248), referring to the appropriate file number.

CANADA—Firm in Newfoundland is interested in finding a U.S. licensee to manufacture and distribute its mechanical trawl baiting machine. Designed basically for small inshore fishing boats, this device will eliminate the laborious task of manually baiting hundreds or thousands of hooks on longlines and fulfill renewed interest in mechanizing the baiting, setting, and hauling process. **File 2630**

GERMANY—Small German wholesaler of building equipment, machinery, tools, and hardware and manufacturer of wire rope cutters is seeking a licensing or joint venture partner in the United States to produce these cutters. **File 2631**

GERMANY—Large German company with various new products to offer wishes to establish licensing arrangement with U.S. firm for manufacture of its plastic disposable laboratory articles. **File 2632**

Atlanta Workshop To Focus On Africa, Caribbean Area

The PanAfrican Business Center, in cooperation with the Atlanta Chamber of Commerce, is hosting a workshop in Atlanta on trade and investment opportunities in Africa and the Caribbean Nov. 20 and 21. Representatives of 14 countries will discuss specific opportunities in their countries.

Project proposals to be presented by the delegates have been restricted to the following areas: food products, food processing, chemicals and fertilizers; textiles and textile products; wood and wood products; and machinery and equipment related to these industries. The registration fee of $50 will cover cost of materials and luncheon meetings.

For further information, contact Southeastern Regional African/Caribbean Workshop, Atlanta Chamber of Commerce, 1300 Commerce Bldg., Atlanta, Ga. 30303; phone, 404-521-0845.

Tobacco Equipment Firms Invited To Send Literature To U.S. Embassy In Malawi

U.S. manufacturers of tobacco production equipment and prefabricated barns—particularly for flue-curing—are invited to send promotional materials to the U.S. Embassy in Malawi. The Embassy will bring them to the attention of potential customers.

New farms continue to be brought into production and tobacco sales have been growing at an average annual rate of 15 percent, reaching $38 million in 1974. Most of the growth is in flue-cured and burley tobacco. Coal and wood are utilized in curing.

Address: Economic/Commercial Officer, U.S. Embassy, P.O. Box 380, Nyrho House, Victoria Ave., Blantyre, Malawi.

UNDP Given 29 Preliminary Requests

Twenty-one developing countries and regions have submitted 29 preliminary requests for financial and technological assistance from the United Nations Development Program (UNDP). These requests have not been funded nor have executing agencies been designated to implement them. They are made available to U.S. firms as potential projects on which future bid proposals may be requested, or as indications of the industrial and social plans of the requesting countries. U.S. firms are cautioned that these projects may not be approved for technical and/or other reasons.

Interested U.S. firms may obtain individual summaries of these projects from the Export Information Reference Room, Office of Export Development, Rm. 1063, Attn: Betty W. Patrick, U.S. Department of Commerce, Washington, D.C. 20230. Please include a pre-addressed label with your request, and identify each project summary desired by project number, country, and title. If the booklet, *UNDP Guide to Firms and Organizations*, would be useful, please so indicate.

BAH/74/005 — BAHRAIN — Special agricultural projects unit.

BGD/72/004 — BANGLADESH — National physical planning.

BGD/73/016 — BANGLADESH — Planning and development of technical and vocational training.

BUR/73/013 — BURMA — Continuation and expansion of post-graduate training in mineral exploration.

EGY/73/037 — EGYPT — National Centre for Radiation Technology.

EGY/74/006 — EGYPT — Integrated rural development and agro-industry promotion in the newly reclaimed lands.

IND/74/007 — INDIA — Training of engineers in advanced technology pertaining to highway planning, design and construction, and traffic management.

IND/74/012 — INDIA — Techniques for exploration of mineral resources.

IND/74/045 — INDIA — National Institute of Hydrology.

MAL/74/005 — MALAYSIA — Post-graduate training programme—economic planning unit (EPU).

MOR/69/530 — MOROCCO — Water supply studies (phase III).

NEP/73/105 — NEPAL — Introduction of containerized road transport services and road transport development.

NIC/71/513 — NICARAGUA — Development of the hydroelectric and transport potential of the San Juan River.

NER/73/007 — NIGER — Drought emergency and midterm groundwater assistance.

PAK/73/016 — PAKISTAN — Curriculum development and production of teaching aids and equipment.

PER/73/024 — PERU — Telecommunications development and training.

PHI/74/004 — PHILIPPINES — Assistance to the Metals Industry Research and Development Center—phase II.

QAT/73/007—QATAR — Integrated water and land use.

QAT/74/004 — QATAR — Industrial consultancy services.

RAS/72/079 — REGIONAL (ASIA) — Southeast Asia Tin Research and Development Centre.

RAS/73/029 — REGIONAL (ASIA) — Asian Institute for Economic Development and Planning.

SRL/74/032 — SRI LANKA — Industrial scale trial metallurgical processing.

SRL/71/528 — SRI LANKA — Master plan for the metropolitan area of Colombo.

SUD/73/032 — SUDAN — Strengthening of road improvement programme.

SUD/74/020 — SUDAN — Telecommunications development in the southern region.

URT/73/013 — TANZANIA — Expansion and development of Dar es Salaam Technical College.

TRI/74/001 — TRINIDAD & TOBAGO — Development of tool and die production and of product engineering capability (assistance to "Metal Industries Company").

UAE/73/008 — UNITED ARAB EMIRATES — Water resources management for hydro-agricultural purposes.

UPV/73/013—UPPER VOLTA — Drought emergency and midterm groundwater assistance.

Foreign Trade Inquiries

These trade opportunities are based on reports received from the U.S. Foreign Service-Department of State by the Trade Opportunities Division, Room 1322, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest are indicated by the five-digit numbers and commodity classifications which are from the Standard Industrial Classification (SIC) Manual and the Numerical List of Manufactured Products, 1972 Census of Manufactures.

U.S. firms should be aware that the listing in Commerce Today *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Export Administration Act of 1969. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

The mark (•) indicates that this trade opportunity is a request for bids by a foreign government agency.

Direct Sales

Building construction

• **15100 — EL SALVADOR** — El Salvador's Ministry of Public Health invites engineering building contractors of Inter-American Development Bank member countries to bid on construction of: a) four 6 to 10-room health centers which may also be used as emergency hospitals, and b) twenty 4 to 6-room clinics, all at an estimated cost of $1.5 million. To be built in three groups throughout El Salvador. Approximate construction area will be 1.500 sq. meters in group No. 1, 1,200 sq. meters in group No. 2, and 2,100 sq. meters in group No. 3. Bids for building one, two or the three groups will be acceptable. Project is financed with funds of IDB Loan Contract No. 393 SF/ES and Government of El Salvador funds. Tender specifications and plans available for 100 colones, equal to $240, at the Departmento de Ingenieria y Arquitectura del Ministerio de Salud Publica y Asistencia Social, Carretera Panamericana No. 3555 (Contiguo a Quinonez Hermanos, S. A.), San Salvador, El Salvador, and can be reviewed there. Specifications/plans are not mailed by that office. Tender identification is Concurso No. 78/74 (301-1/74 B.I.D.). Bids (in Spanish) are to be presented personally by bidders or their representatives at Departamento de Suministro del Ministerio de Salud Publica, Calle Arce No. 827, San Salvador, El Salvador, no later than Nov. 28.

• **15100—PARAGUAY** — Prequalification for firms to tender for contract to construct an initial number of approximately 1,200 single family housing units, 600 in Brazil and 600 in Paraguay. One of a series of international tenders for supply of equipment and services related to the ITAIPU hydroelectric project 14 kilometers above the Friendship Bridge which links the Paraguayan city of Puerto Presidente Stroessner with the Brazilian city of Foz do Iguazu. ITAIPU is joint Paraguayan-Brazilian administrative entity which represents Administracion Nacional de Electricidad-Ande (Paraguayan) and Electricidade do Brasil-Electrobroas, respective electric power agencies of Paraguay and Brazil responsible for construction of ITAIPU project at estimated total cost of $4 billion. This tender calls for simultaneous prequalification of Paraguayan and Brazilian construction firms and submission of proposals for construction of above housing project estimated to cost $13 million. Subsequent tenders expected to call for additional 2,800 units. Bid solicitation states that only Paraguayan or Brazilian construction firms may qualify. "Paraguayan" and "Brazilian" firms are defined as those with majority national interest. Bids are to be made on construction of lots of 100 units in Foz do Iguazu and 50 units in Puerto Presidente Stroessner. Specifications and requirements for both prequalification and bidding may be obtained from either: ITAIPU Binacional, Direccion Financiera, Calle Presidente Franco 1032, Asuncion, Paraguay, or ITAIPU Binacional, Directoria Financeira, Rua Sao Jose 90, Segundo Andar, Rio de Janeiro, GB. Brazil, at cost of 1,000 cruzeiros or 20,000 guaranies. Prequalification documents must be submitted by Nov. 11 at either address. On Nov. 21 prequalified firms will be furnished with specifications, detailed project design, cost estimates, payment terms, and contract provisions, on basis of which ITAIPU will decide contract awards. This notice of tender is to allow American firms to evaluate possibility of participating as associates of Paraguayan and Brazilian construction firms or consortia.

15100—CAMEROON—Preselection announcement for contract involving construction of five schools and enlargement of three others in five Cameroonian cities located throughout the country. Technical references should include a list of similar work completed and proportion of project if in connection with another company. Prospective companies should also be prepared to list management and technical personnel and timing of work. A bank statement attesting to financial standing of firm may also be required. Applications must be received by Nov. 29, by the Ministre de l'Education Nationale, Direction du Projet Education IBRD—Cameroon, B. P. 1600, Yaounde. Project is financed by IBRD (World Bank). Copies of preselection conditions expected to be available soon from Construction & Bldg. Materials Program, Room 2118, U.S. Dept. of Commerce, Washington, D.C. 20230, ★ 202-967-3602. Correspondence preferred in French. Architectural studies were done by the firms Jodoin-LaMarre-Pratte, Nsangua Akwa-Doualla Bell, and Dolivo.

Broad woven fabric mills, cotton

• **22100—AFGANISTAN**—10 million meters of rough gray cotton fabric. Bids accepted through February. Specifications available upon request from Abdul Qayum Samandar, Acting President, Bagrami Textile Mills, Bagrami, Kabul.

Sawmills, planing mills

• **24210 — IRAN** — Iranian State Railways, Tehran, requests bids on 1,700,000 wooden railway ties. Size 260x25x15 centimeters. Ties to be hardwood such as beech or oak and impregnated. Both ends to be bound with iron strap. Bid deadline Jan. 6, tender No. 1175/53. Additional specifications available from Construction and Forest Products Division, BDC, Department of Commerce, Washington, D.C. 20230 ★ 202-967-2606.

Converted paper, paperboard products

26470—BELGIUM—Allied Command Europe requires 33,000,000 sheets of toilet paper. Specifications: 2-ply, medium-soft cellulose paper; 300 to 500 sheets per roll with perforation according to perforite system; size of sheets about 100x140 MM; white or pastel. No bid deadline. Contact purchasing and contracting officer, supply branch, IHSC SHAPE, 7010, Belgium.

Industrial chemicals

• **28100 — AFGHANISTAN** — Caustic soda, 1,000 tons, c.i.f. Karachi. No tender number. Bids accepted through February. Bids and requests for documents should be submitted to Eng. Abdul Qayum Samandardk, Acting President, C. Bagrami Textile Mills, Bagrami, Kabul, Afghanistan.

2816221—AUSTRIA — Approx. 100 mt zinc white (gruen ziegel) for delivery to unidentified customer in Czechoslovakia. Mr. Hensley is U.S. citizen, long time resident in Vienna, managing dir., Europe for Hinds Int. of Portland, Ore. Reply to or call—Mr. Gwen Hensley, Lilienbrunngasse 13/12, A-1220 Vienna. Tel. 0222/24 83 81.

Glass, glassware

3229321 — SOUTH AFRICA — Fibrous glass yarn 150/1/2 & 225/2/3 deniers, natural, for mfr. of weaving tape. Direct sale & agency. Reply to—Mr. A. Behrendt, Mgr., A. Behrendt, P.O. Box 567, Cape Town 8000. Cable Fiala; tel. 41-0997.

Abrasive, asbestos, nonmetallic mineral products

3292251—COLOMBIA—Asbestos friction materials: clutch facings, woven, for automobiles & trucks. Reply to—Aurelio Atehortua, Mgr., Frenos, Ltda., Calle 45 No. 60-66, Apartado Afreo 1521, Medellin. Cable: Frenos, Medellin.

Steel mill products

• **33100 — INDIA** — Steel forgings (flanges). Tender No. MM4-3269; bid deadline Nov. 26. Bharat Heavy Plate & Vessels Ltd., Natayapalem, Visakhapanam 530012, India. Specifications available from Iron and Steel Program, BDC, U.S. Department of Commerce, Washington, D.C. 20230, ★ 202-967-2438.

Fabricated metal products

3497359—TAIWAN—Tinfoil for mylar film capacitor use in following thickness & widths

respectively—0.0002 in. & ½ in.; 0.0002 in. & ¼ in.; 0.0002 in. & 3/8 in.; 0.0002 in. & 5/16 in. Mandarin mfrs. mylar (polyester) capacitors about one million pieces/mo.; needs tinfoil about 500 lbs./mo. Estab. March, 1974. Also looking for capacitors. Buyers, end-users—TV & phonograph mfrs. Reply to—Mr. Henry I. G. Chao, Mgr., Mandarin Industrial Corp., P.O. Box 35-85 Tsoying, Kaohsiung, Taiwan. Cable—Elecmic Nantze Kaohsiung; tel. 07-362539.

Engines, turbines

• **35100 — BRAZIL** — Prequalification documents for five 436 MVA generators driven by Francis-type vertical shaft hydraulic turbines must be submitted by Nov. 28. Bidders will be required to manufacture and supervise installation. Full information on instructions for submission of prequalification documents may be obtained from: Companhia Hidro Electrica do Sao Francisco—CHESF, Diretoria de Suprimento, Departamento de Compras e Contraiacoes—DCC, Divisao de Processamento de Aquisicoes—DCPA, Rua Visconde de Inhauma, 134—11-o Andar, 20000 Rio de Janeiro, GB, ZC-06.

• **35100—CANADA**—Supply and installation of three 280,000 HP Francis-type hydraulic turbines. Bid deadline Dec. 17. British Columbia Hydro and Power Authority, 970 Burrard St., Vancouver, British Columbia. Tender copies available from the above address for $21 first copy and $10.50 each additional copy.

Construction, mining, materials handling machinery, equipment

• **35300—INDIA** — Superintending Engineer, Thermal Design Directorate, U.P. State Electricity Board, 4-A Gokhale Marg, Lucknow, U.P., India requests bids on one 200-ton pay load capacity, self-propelled vehicle. (modular combination). Tender No. TDE-101, deadline Jan. 22. Specifications available for $68.75 by postal order/bank draft from above address.

Metalworking machinery

• **35400 — INDIA** — Two mica undercutting machines. Tender No. 501/12/046/7-9-74; bid deadline Dec. 17. Directorate General of Supplies and Disposals, Parliament St., New Delhi 110001. Tender documents available from India Supply Mission, 2536 Mass. Ave., N.W., Washington, D.C. 20008, for $2 per copy.

Special industry machinery

• **35510—IRAQ**—Supply and erection of a dates' industrialization complex. Bid deadline Feb. 20. Tender is for supply, installation, erection of machinery, and equipment, testing and putting into operation the following: (1) date storage and fumigation section, (2) date juice preparation, (3) torula yeast unit, (4) citric acid unit, (5) fodder unit, (6) steam boiler, (7) power generation and electrical equipment, (8) water supply, water treatment, and waste disposal machinery, (9) refrigeration, (10) workshop, (11) cranes, lifting and weighing machines, (12) compressed air section with instrumentation, (13) service piping, insulation heating, and ventilation, (14) auxiliary equipment and storage area. Auxiliaries include laboratory, garage, and fire fighting equipment. Tenderer should also supply two years spare parts, training, supervision during start-up, test run, and one year operation. Tender also calls for construction of all industrial buildings including: wharf, roads, fences, administration building, locker room, cafeteria, and living colony. Tender for a section of the works will not be accepted, but tender may be made exclusive of civil engineering works. Government funded project. Tender is State Organization of Industrial Design and Construction, Ministry of Industry, Jumhuriyeh St., Baghdad. Inquiries should be made to Legal Affairs and Contracts Department of above organization. Cable—Tasmisinai. Tender specifications available for inspection of short-term loan from Irvin Axelrod, Room 2806, Transportation and Capital Equipment Division, Main Commerce Bldg., 14th and Constitution Ave., NW., Washington, D.C. 20230. ★ 202-967-5566.

Office, computing, accounting machines

3576045—THAILAND—Weight and horoscope scale machines, coin-operated, electric, 220 volt. 50 cycles, single phase. Requests c.i.f. Bangkok prices, catalogs. Excl. agency. Subsidiary of the Central Depart. Store, Ltd. Biggest & most modern depart. store in Thailand. Registered as limited partnership in 1973, with $500,000 registered capital. Reply to — Suthikiati Chirathivat, Mgr., Prin Ltd. Partnership, 306 Silom Rd., Bangkok. Cable—Prinpart; tel. 36931, 36023.

Communications equipment

• **36600—TURKEY**—Genel Mudurlugu, Malzeme Dairesi Baskanligi, Ruzgarli Sokak Catal Han, Ulus, Ankara, has issued tender for 7,000 pay telephones suitable for operation on min. 1000 ohm series and min. 20,000 ohm parallel resistance circuit. Adjustable for operation with 20-27 mm. dia., 1.3-2.2 mm. thick coins. Bid deadline Dec. 5. Bidding specifications in English may be obtained from Modern Translation Bureau, Karanfil Sokak 49/2, Yenischir, Ankara, for $12.50. Checks must accompany orders.

Pens, pencils, office, artists' materials

39500 — ETHIOPIA — Office supplies. Cased pencils; 20,000 black No. 2 with erasers, good quality; 25,000 colored, green and red. Ballpoint pens: 10,000 pens. with refills. Also wire paper clips (349): 10,000 boxes gem pattern, large, 3/8 in.; 8,000 boxes gem pattern, large, 1/8 in. National University, Purchasing and Stores, P.O. Box 1176, Addis Ababa, Ethiopia. c.i.f. Djibouti prices; payment by letter of credit or cash against documents.

Manufacturing industries

39999—JAPAN — Low-priced automatic shoe polishing machines, not coin-operated. Catalogs, specs. & price quotations desired. Annual sales about 10,000 machines expected. Recently-founded small proprietorship, which deals with advertising business & general trading. Employs 12, expected annual sales 70 million yen. Routine trade precautions should not be overlooked. Reply to—Mr. Shoji Kajiwara, Pres., Voluntary Advertising Agency, Yahiro Bldg., 33-1, 4-chome, Hakata-eki-mae, Hakata-ku, Fukuoka, Japan 812. Tel. (092) 441-7226.

Scrap and waste materials

50930—JAPAN—Iron and steel scraps from old ships. Estimated annual purchase U.S. dols. 100,000 (600-1,000 tons). Small-scale distributor of iron scrap and general merchandise. Annual sales $1 million. Reply to—L. P. Ong, Rep., M. Maeda & Co., Ltd., Taisei Bldg. 1-Chome, Minami-Kyutaro-Machi Higashi-Ku, Osaka 541. Cable Mako Osaka; tel. 06-252-2296.

50930—KOREA—Scrap iron & steel. Immediate requirement—10,000 to 20,000 metric tons; annual requirement—60,000 to 70,000 metric tons of steel scrap for melting, HMS No. 1 or 2. Firm is a leading manufacturer in its line. Manufactures steel castings, rolled products, assembled goods, steel forgings for railroads, shipbuilding and or general machine parts. Imports steel scrap and machinery. Firm, being capitalized at W369 million (recent exchange rate: W396.28 to US $1.00), was established in 1937. Has 1,700 employees. Reply to—K. J. Hah, Mgr.—Planning Dept., Korea Heavy Machinery Industrial Co., Ltd., 445 Shindorim-Dong, Yongdongpo-ku, Seoul, 150. Cable: Mfgtyre Seoul; tel. 62-0504 or 62-3851/4.

50930—KOREA — Copper scrap. Annual requirements: 1,000 m/t. Manufacturer of copper wire bar & rod, copper alloy ingots and brass ingots, has annual production capacity of 900 m/t copper and 700 m/t brass. Interested U.S. suppliers write Mr. Lee furnishing specifications and price lists. Reply to—Lee Kyung Mo, Pres., Ja Won Metal Ind., Co., Ltd., 11-4 Supyo-Dong, Chung-ku, Seoul 100. Telephone: 26-0522.

50930—PARAGUAY—Tires, used. Artigas is local businessman of good reputation. Contact—Angel Artigas, Calle America 482, Asuncion. Tel. 20747.

50930—KOREA—Scrap, nonferrous metal: (1) nickel, 96% or up, monthly requirement—5 to 10 m/t; (2) zinc scrap or dross, monthly requirement—20 m/t. Wonsan is small privately owned firm and manufactures nickel sulphate for local consumption. Mr. Kim wishes to expand production so that he can receive overseas orders. Mr. Kim claims that he is specialist in nonferrous metal industry. Dir. sale & rep. Reply to— Mr. Kim, Won-Yong, President, Wonsan Electro-Chemical Ind. Co., 160-4 Dungcheon-Dong, Yongdongpo-Ku, Seoul, 150. Tel: 63-1733 or 69-0171.

Antique, secondhand stores

59310—JAPAN—Japanese wood block prints printed in the Meiji era (1868-1911). Buyer wishes to reimport wood block prints which were exported to the U.S. before and after World War II. Buyer is a manufacturer of TV antennas and master antenna equipment. Annual sales U.S. dols. 26 million. Reply to—Mr. Yoshio Takeda, Chief, Export Section, Maspro Co., Inc., 70-2 Asada, Nisshin-cho, Aichi-Gun, Aichi Pref. 470-01. Cable: Maspro Nagoya; tel: 052 805-2214.

59330—PARAGUAY — Used summer-weight clothing for men, women, children and infants suitable for use in sub-tropical climate, including work clothing, jackets, jeans, light raincoats, rainproof jackets, underwear. Used medium-weight winter clothing also desired. Angel Artigas is local businessman of good reputation. Contact—Angel Artigas, Calle America 482, Asuncion. Tel. 20747.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Wholesalers

50930 — JAPAN — Scrap corrugated cardboard (occ) and waste cuttings from new corrugated cardboard (ncc) for pulpmaking packed in 80-90 cu. ft. 2,000 lb. bales. Guaranteed clean with no foreign materials. Target price: $50 per mt of occ and slightly higher for ncc fob West Coast U.S. Quantity: trial shipments of 60, 100, and 200 mt. to be followed, if delivery reliable, by orders of 2,500-3,000 mt. per mo. occ and 1,000-2,000 mt. per mo. ncc. Allied Factors is commission agent specializing in short supply commodities. Established 1973, employs 5. Cable or telex—Mr. Craig Smith, Dir. Allied Factors, Ltd., Sweden Center Bldg., 6-11-9 Roppongi Minato-Ku, Tokyo. Cable: Allfact Tokyo; telex: J22581 Swedirad; tel.: 03-478-0871.

Future Construction Abroad

DOMINICAN REPUBLIC—Construction, both government and private, has been one of the principal engines propelling the current **cement** boom in the Dominican Republic. Consumption of cement has risen accordingly: from 1966 to 1973 it grew at 16.3 percent per year to 740,00 tons. Projected consumption for 1974 is 814,000 tons. Until 1971, all cement used in the country was produced by the government-owned Fabrica Dominicana de Cemento, whose current capacity is 533,000 tons per year. Expectation of continued rising demand, the high cost of importing cement, and depletion of raw material at the site of the present plant have spurred **plans for construction of new facilities.** A summary of the status of the various cement projects with contacts is available from U.S. Department of Commerce, Trade Opportunities Program, Room 2321, Washington, D.C. 20230. OPIC.

GUYANA—A possible IBRD $15 million loan to finance expansion of Guyana's bauxite industry would, if approved, form part of an overall **plan of investment which the government-owned Guyana Bauxite Co. (GUYBAU) hopes to achieve** by 1980. Guyana's Parliament recently authorized GUYBAU to borrow up to $39 million to effect this development plan. Of that amount $10 million will come from Eximbank and participating institutions (Chase Manhattan & Royal Bank of Canada), for purchase of two walking draglines, and various types of mining equipment (contracts already awarded). In addition, the Canadian Export Development Corp. (EDC) has extended a loan of $5.2 million to GUYBAU for installation of another calcining kiln. IBRD funds would most likely be used for yet another kiln, and possibly an electrostatic precipitator, although GUYBAU has not specifically stated that these two investments would be financed through IBRD. Although no firm decisions have been taken on the second stage expansion, there has been mention of financing from the London-based Orion Bank, Ltd., a consortium of international banks, including Chase Manhattan. Useful contacts are: Patterson A. Thompson, Chairman, Guyana Bauxite Co., 71 Main St., Georgetown, and Hubert O. Jack, Minister of Energy and Natural Resources, Brickdam, Georgetown. OPIC.

GUYANA—The Government of Guyana has appealed to Canadian (CIDA) and British (ODA) groups for participation in Guyana's **electricity expansion program.** There may nevertheless be opportunities for U.S. firms for supply contracts. The Shawinigan Engineering Co. of Canada is managing the expansion project, and is the best contact for interested U.S. companies. The head office is: Shawinigan Engineering Ontario, Ltd., 74 Victoria St., Toronto, Ontario M5C2A5, Canada. OPIC.

GUYANA—The Government of Guyana has received an IBRD loan of $12.9 million towards financing the **Tapakuma Irrigation Project.** The project derives from a feasibility study carried out with AID financing by the Harza Engineering Co. of Chicago. Bids will be let for the engineering design contract. Major equipment purchases are irrigation pipes and pumps. Interested firms contact the Ministry of Economic Development, Avenue of the Republic and Brickdam, Georgetown. OPIC.

INDONESIA—An agency of the Ministry of Public Works and Power invites contractors to bid on the general, mechanical and electrical construction for a new 100 MW (2x50 Units 1 & 2) **thermal power plant** serving the Central Java transmission system located at the Port of Semarang. Bid deadline is Feb. 25, at the head office of Perusahaan Umum Listrik Negara, Jalan Trunojoyo Blok M I/135, Kebayoran Baru, Jakarta. Bidding documents comprise four vols. and construction drawings: Vol. I—invitation and instructions to bidders, general & special conditions; bond & contract forms; specification equipment data sheets. Vol. II—general construction specifications & construction drawings. Vol. III—mechanical construction specifications & construction drawings. Vol. IV—electrical construction specifications & construction drawings. Proposals will be received in following combinations: Vol. I only; Vols. III & IV only; Vols. II, III & IV only. Beginning Nov. 25, complete sets of bidding documents may be examined and obtained from the following offices upon payment of nonrefundable amounts shown below: Perusahaan Umum Listrik Negara address above, or Black & Veatch International, 1500 Meadow Lake Parkway, Kansas City, Mo. 64114. Attn: L. J. Svoboda. Complete bidding documents: 6 copies Vol. I, 1 copy ea. of Vols. II, III & IV & 1 copy ea. of respective construction drawings $330; partial bidding documents: 6 copies Vol. I & 1 copy Vol. II & 1 set general construction drawings $160; partial bidding documents: 6 copies Vol. I and 1 copy ea. Vols. III & IV & 1 set mechanical and electrical construction drawings $230; add'l individual copies specifications $10 per Vol.; add'l copies construction drawings $1 per drawing. Five copies Vol. I shall be submitted as part of proposal. Will only consider bids from qualified contractors or authorized representatives. To qualify for an award, bidder must have constructed other facilities of similar type and of equal or greater size and complexity. Evidence shall consist of a listing of facilities indicating owners' name, location, approximate value, type of facilities, date of completion, and size and operating conditions of major equipment. Major equipment funded under AID Loan and by Government of Indonesia. Construction contract will be financed by Government of Indonesia. Proposals considered only from bidders whose principle office is located in and who propose to use equipment and material whose source and origin is a country of the Special Free World including Indonesia as indicated in AID Geographic Code 935.

PANAMA—Instituto de Recursos Hidraulicos y Electrificacion (IRHE) has issued Invitation to Bid No. 457-75 for supply, delivery and unloading of **electromechanical equipment and steel structure for second stage of Maranon and Cerro Viento Substation.** Bid deadline is Jan. 15, at the Purchasing Department, IRHE, Poli Bldg., Justo Arosemena Ave. & 27 East St., Panama City. IRHE has received a loan from IBRD in various currencies equivalent to $30 million towards foreign cost. All proposals must be made according to laws of Republic of Panama and guidelines for procurements for World Bank loans, as detailed in bid documents. Bid documents as well as all maps, plans, specifications, and proposal forms may be inspected at IRHE's offices in Panama; at Chas T. Main International, Inc., Prudential Center, Boston, Mass. 02199; at Stone & Webster Overseas Consultants Inc., 90 Broad St., New York, N.Y. 10004; or at Panamanian Embassies. Complete sets of documents may only be obtained directly from offices of IRHE in Panama or by mail from P.O. Box 5285, Panama City, at non-refundable cost of $25 per set.

SOUTH AFRICA—The South African Railway Administration proposes to carry out **comparative tests on heavy duty fifth wheel couplers for truck tractors,** with a view of framing an approved list of brands. South African manufacturers and accredited South African representatives or agents of overseas manufacturers are invited to apply to the Chief Stores Superintendent, Johannesburg or any South African Railways Stores Superintendent for a copy of conditions governing the test. Applications must be posted to the Chief Stores Superintendent, P.O. Box 8617, Johannesburg, by Dec. 6, or handed in at Room 906, Melhof, 2 Melle St., Braamfontein, Johannesburg.

The Overseas Private Investment Corporation (OPIC) provides qualified U.S. investors—large and small—with political risk insurance and financial assistance to support investments in about 80 developing countries. For further information on projects with an OPIC notation write Information Officer, Overseas Private Investment Corp., Washington, D.C. 20527. Tel: 202/632-1854.

Polish Exhibition, Symposium Open To American Companies

The Polish Ministry of Labor, Wages, and Social Affairs and the Poznan International Fair management invite American companies and social workers to participate in the international exhibition and symposium, SECURA 75—Protection of the Worker in His Working Environment, in Poznan, Poland.

The exhibition, scheduled for April 21-25, will cover: clothing to protect the worker against dangerous or noxious agents; protective equipment for respiratory tract, ears, face, and head; appliances and materials to protect clothing; measuring and control apparatus for chemical substances and physical agents; and laboratory equipment for testing personal safety equipment. Inquiries concerning the exhibition should be addressed to: The Management of the Poznan International Fair, SECURA 75, Glogowska 14, 60 734 Poznan, Poland; telex: 0415210.

The International Scientific Symposium on Protection of the Worker in His Working Environment, April 22-24, will cover Exposure Risks in the Working Environment, and Personal Safety: Protective Clothing and Equipment. Those interested in the Symposium should write: Ministry of Labor, Wages, and Social Affairs, Central Institute for Labor Protection, SECURA 75, Tamka 1, 00 950 Warsaw, Poland; telex: 81470.

Swiss Firm Looking To Represent U.S. Manufacturers In East Europe

The Swiss firm, Weitnauer Trading Co., Ltd., seeks to represent American manufacturers of capital equipment and industrial goods in Eastern Europe. The address is Petersgasse 36, 4001 Basel, Switzerland; cable address: WEITCO BASEL; telex: 62194; telephone: 061/25 21 26; attn: W. H. Tiefenthaler, Assistant Vice-President.

Established in 1865, Weitnauer is a large, reliable trading organization employing 940 people. Its annual sales exceed $35 million; paid-in capital and reserves amount to $4 million. Maintaining sales offices and outlets in several European countries, it is experienced in trading in Eastern Europe and is well known to state trading organizations there. The firm enjoys an excellent reputation.

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